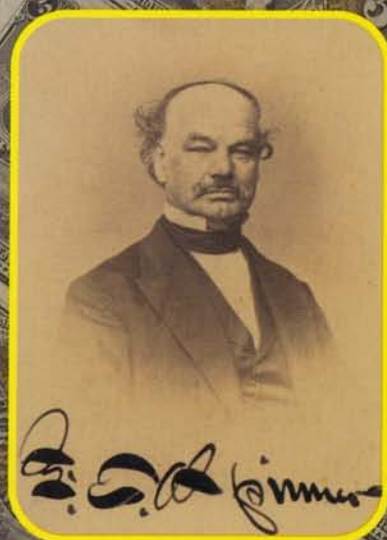


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OF PAPER MONEY COLLECTORS

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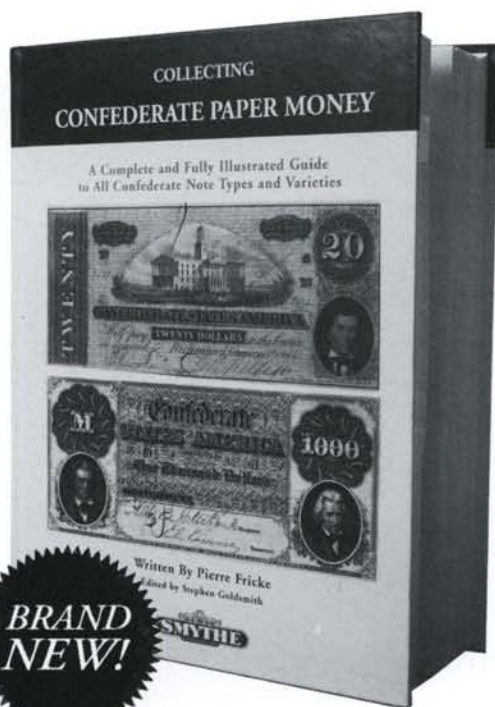
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FRED L. REED III, Editor, P.O. Box 793941, Dallas, TX 75379

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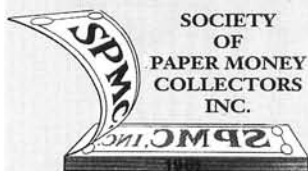
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Society of Paper Money Collectors



The Society of Paper Money Collectors (SPMC) was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the American Numismatic Association. The annual SPMC meeting is held in June at the Memphis IPMS (International Paper Money Show). Up-to-date information about the SPMC and its activities can be found on its Internet web site www.spmc.org.

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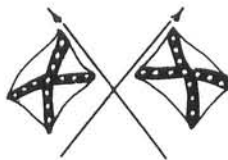
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Fractional Currency Collections, Collectors and Auctions

By Martin Gengerke

Updated by Benny Bolin

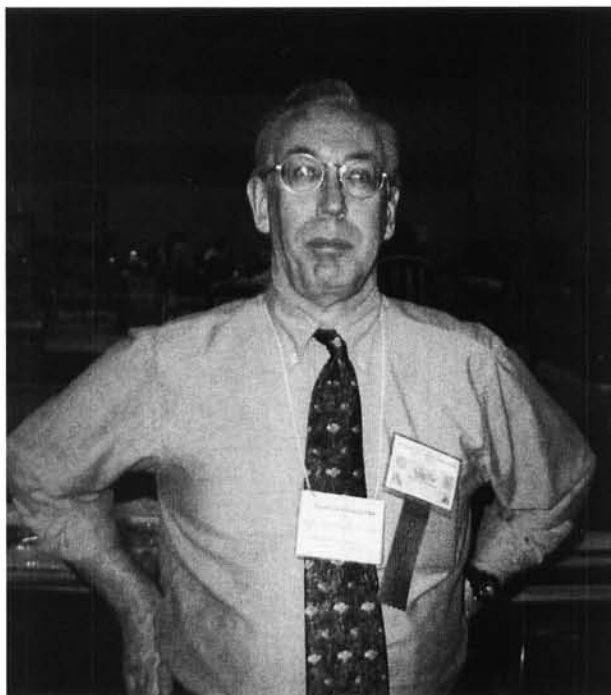
THE ROUND TABLE DISCUSSION OF FRACTIONAL Currency sponsored by the Fractional Currency Collectors Board in Memphis in June 1986 brought to the forefront a problem faced by many new collectors in all series — the lack of an historical perspective from which to gauge rarity, desirability and demand. While many reference works can be found listing varieties and prices, nothing has been written regarding past collections or collectors. In the field of Fractional Currency several factors have served to exacerbate the situation and relegate this field to the esoteric domain usually reserved for rarer non-circulating, non-federal subjects.

Prior to the 1890s Fractional still circulated to some extent and only a few collectors paid much attention to the field. There were no reference works of any value to check, and consequently auction catalogers of the period rarely knew what information was important enough to list. With poor and often inaccurate descriptions, few auctions prior to 1890 are more than idle curiosities to the Fractional Currency collector. An exception might be some of the Harlan P. Smith sales and price lists, which contain the first public appearances of both the 50c “Perf. 14” note (Fr. 1310a) and the “O-63” 10c (Fr. 1248) — two varieties considered by knowledgeable specialists to be of dubious origin.

The first important Fractional offering with generally sufficient descriptions was Edouard Frossard’s 1893 Fixed Price List of Spencer M. Clark’s collection of Essays and Experimental Pieces. The Clark list remains to this day one of the finest sales of experimentals, with many pieces never re-offered since. This list is rare and very hard to find today.

The Chapman brothers of Philadelphia were the first to consistently catalog Fractional Currency in a professional manner that let the bidder know what he might expect. It is well that they did, for in 1903 and 1904 they held two Fractional sales (Friedman and Wilcox) that have never been surpassed, and might very well never be equaled again. Luckily, neither catalog is particularly difficult to locate. Other Chapman sales of Fractional included the Earle, Pick and Steigerwalt collections.

On June 3, 1903, the Chapman’s sold the collection of Monroe J. Friedman. A remarkably complete collection, with errors and experimentals, it is even more famous for its offering of uncut sheets, including all the unique 3rd and 4th issue sheets. The February 15, 1904, Chapman sale of the Charles Wilcox Fractional collection still holds first place for its amazing variety of experimental pieces. These two sales should be remembered, as they were the



Martin Gengerke

genesis of what has become the finest Fractional collection ever assembled.

The next half century had few important sales of Fractional, and none of any great depth. The few noteworthy sales were important only because of a few rare or important items, with none being anywhere near complete, even in the regular issue set. Albert A. Grinnell, owner of the finest Large Size currency collection ever formed, had a rather mediocre Fractional collection, sold by B. Max Mehl in 1943. Stack's sold Dr. Limpert's important collection in 1955, although the collection had been decimated by private sales prior to auction, and lacked many of the fascinating pieces illustrated in his book.

While notable for the lack of availability of material, this period did produce several standard reference works on the subject. In 1924 F.C.C. Boyd published Dr. Daniel Webster Valentine's pioneering work *Fractional Currency of the United States*; 1935 saw Walter Schultz's *Checking List of Fractional Currency*; the 1940s produced Dr. Alvin Limpert's two books, *United States Postage Currency, August 1862-May 1863*, and *Fractional Currency, October 1863-February 1876* (1946) and *Classified List of U.S. Postage and Fractional Currency* (1947).

Until Milton Friedberg's *The Encyclopedia of United States Fractional and Postal Currency* (1978) decades later, these three references were the only ones available to anyone wishing to go beyond the standard regular issue and specimen areas. The Robert Friedberg book, *Paper Money of the United States* (1953 and later), and Matt Rothert's book, *A Guidebook of United States Fractional Currency* (1963), both listed only the standard regular issues and specimens, although Rothert did illustrate many of Crofoot's fascinating essays and rarities.

The most important sale in 50 years was held by Abe Kosoff in his 1958 ANA sale. Kosoff's disgraceful presentation of Maurice M. Burgett's collection in a cramped, no-photo manner led to unreasonably low prices, even for the period. Kosoff partially redeemed himself by publishing a profusely illustrated special edition of the Fractional Currency section after the sale – a must for any Fractional collector. The collection, virtually intact, went to Kosoff himself, acting as agent for the Newport Balboa Savings and Loan collection. Years later Kosoff bought back the collection, selling off bits and pieces slowly until selling the remainder in Bowers & Ruddy's "Winthrop" sale, 9/12/75. Appropriately, the prices in the Winthrop sale were also rather low for the time.

Bowers & Ruddy/Merena have auctioned more important Fractional in recent years than any other firm, starting with the sale of Matt Rothert's collection, 11/16/73. "Hyped" at the time as the finest and most complete collection of Fractional ever formed, it was far from being either. To this day it ranks as one of the most over graded and erratically graded sales, lacked a half dozen important regular issue notes

and many specimens, and had relatively few essays or experimental pieces. Ignoring Dave's advertising superlatives, it still, however, ranks as one of the more important Fractional sales. Perhaps the over grading of the Rothert material contributed to the low prices of the Winthrop sale – ironically one of the more consistently and fairly graded sales of recent years. The third important Fractional sale by Bowers was the Robert A. Russell collection 6/20/77. Numerous other Bowers sales have had individual important rarities.

One firm running Bowers a close second is NASCA, with a steady stream of important Fractional highlighted by the 1981 sale of the Rocky Rockholt collection (with the Fraser sale below, one of the two most important offerings of essays and experimental pieces since 1904). As with the Bowers' firms, many



Ed Frossard

other NASCA sales have had rare and important individual items.

Other important Fractional sales of recent years include the Lester Merkin sale of the Isidore Herman collection in 1974, the Robert A. Siegel sale of the Josiah K. Lilly collection in 1967 (very important material), the Superior sale of the John R. Fraser collection in 1982 (one of the two finest offerings of essays and experimental pieces since 1904), and the 1960 ANA sale by Whiteneck & Conn (consignor unknown).

The Herman sale, with relatively few rarities, hit a market starved for material. With Lester's reputation and conservative grading, it was standing room only, with bids occasionally being relayed in from the hall. In the ensuing bidding frenzy many items set price records that weren't broken for years. Merkin also had a memorable fixed price sale of Fractional in 1963 (note—most of the notes on this price list were purchased by Milton Friedberg).

Being auctioned by a philatelic firm, many bidders showed up at the Lilly sale hoping to be the only ones there. Prices were stronger than ever as all the specialists competed. At the Fraser sale, one dealer's obstinate insistence on buying everything himself, rather than sharing with the collectors there, led to obscenely high prices. The dealer, still holding many of his purchases years later, eventually "dumped" for an average of 50c on the dollar, and the market for experimentals stabilized considerably.

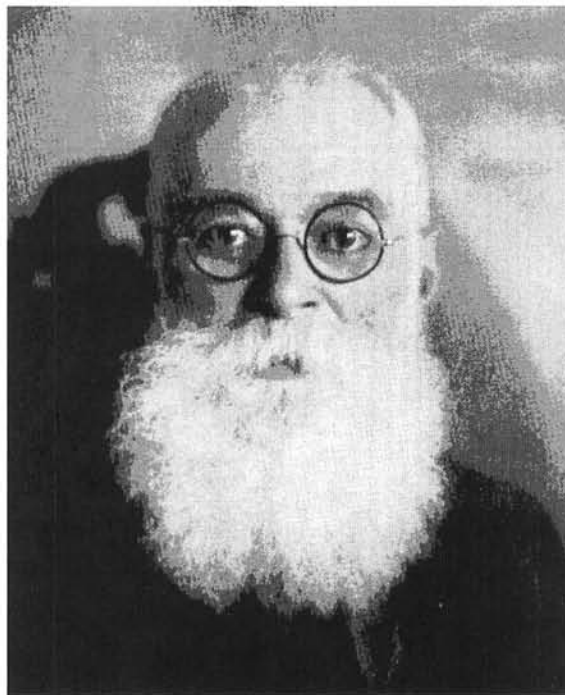
Overall, if one were looking for "role models," the Burgett, Lilly, and Rockholt sales would have to be considered the most classic, well-rounded collections to be sold publicly in many decades. All had rarities in the regular issues, some high grade, some errors and some essays and experimentals – something to draw all types of collectors.

Auctions are certainly important, but they only tell part of the story. What of the collectors themselves? The names of many important collectors can be found listed above, but many other collections were either sold privately (some posthumously), donated to museums, or are still active.

Reference was made above to factors making Fractional less well known than it should be. One of those factors has to be the legendary F.C.C. Boyd, who over a half century of collecting in many diverse areas assembled the finest collections of several fields, including Fractional. The Friedman and Wilcox collections both were sold almost in their entirety to Judson Brenner (past President of the ANA), with the Brenner collection then forming the basis of the Boyd collection. Over the next 50 years, Boyd privately gobbled up almost every Fractional collection of any importance, leaving very few to come on the market.

Often buying entire collections to get just a few pieces, Boyd acquired the Brenner, Drowne, Valentine, Brand, Earle, Granberg, Blake, and Proskey collections, to name just a few. It is not known if Boyd got all of the Spencer M. Clark collection – it now has all the notes specified in the 1893 Frossard list except the third issue 50c experimentals. Boyd was a bit careless, paying little attention to condition when disposing of duplicates, and occasionally selling unique items. However, the collection remained substantially intact, and by far the finest ever formed, until the recent John J. Ford Jr. sales.

Few major collections escaped Boyd's grasp – other than



Henry Chapman



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those mentioned above, the Joers and Crofoot collections are notable. F.T. Joers of Ohio formed a sizable collection which was disposed of privately in the late 1970s, many years after his death. Herman K. Crofoot, of Moravia, NY, is more well known, primarily due to the illustrations in Matt Rothert's book of items located in the Smithsonian Institution. Crofoot's widow donated his collection, including Spinner's original paste-up essays for the first issue, to the Smithsonian early in the 1960s – a collection which ranks in the top five existing collections today.

The famous dealer Wayte Raymond also accumulated a massive amount of Fractional (more of a dealer stock than a collection), consisting of many rarities and sheets. Mrs. Raymond later disposed of the hoard over many years, much of it through Lester Merkin. B.F. Collins (formerly of the Treasury Department) and Jack O. King jointly had a fine collection of Fractional; that held by King eventually was purchased by Milt Friedberg – once again through Lester Merkin.

This brings us to a final question – where do various collections rank today (1986)? The first four places are easy to define; after that it becomes somewhat cloudy, as important pieces from several major sales have gone to anonymous buyers in recent years.

First place is, of course, the Boyd-Ford collection documented above. The collection has essentially stagnated since Boyd's death in 1958. Being interested in so many fields, Ford has added little to the collection since acquiring it; also, as advanced as the collection is, little needed material has come on the market recently. Ford, unlike Boyd, has sold only duplicates, and then only the lower grades. Second place overall goes to Milton Friedberg, a Fractional collector since the early 1960s and author of what is now the standard reference work on the subject. Third place goes to Martin Gengerke. While squeaking into first place in the regular issue area with the only complete set ever formed, (Ford and Friedberg each need one major note for completion), the Gengerke collection ranks a distant third to Boyd/Ford and Friedberg in errors, specimens, experimentals and essays.

Fourth place belongs to the Crofoot-Smithsonian collection. While lacking fewer than a half dozen regular-issue notes, and being particularly strong in essays and experimental pieces, the collection is marred by Crofoot's unfortunate practice of pasting his notes on acidic loose-leaf pages. Many important

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items, including the Spinner essays, are badly damaged and still deteriorating, as not even the most fundamental de-acidification has been done.

The ranking is difficult below fourth place, with collections in Florida, Texas, Michigan, and New York in the running (possibly in that order), as well as one or two anonymous collections. Others, including one or two well publicized ones, probably don't make the top ten. Few museums other than the Smithsonian have anything that could be called a "collection" in the Fractional area.

Beyond the above ranking, there are numerous active collections which contain rare and important individual items, very high overall grade, or interesting specialty collections within the larger Fractional Currency umbrella. While not in the top five today, they would nevertheless be long remembered should they go on the auction block. Possibly by perusing the important past sales listed above, new collectors can focus their interests a little better or avoid the all too frequent trap of paying too much for what most other collectors consider to be of little importance. Perhaps too some new collector may be inspired by past efforts to challenge the lead held by the Boyd collection.

Update by Benny Bolin

Since Martin wrote the above article and published it in the *FCCB Newsletter* 20 years ago in 1986, there have been a number of major changes in the Fractional Currency hobby. First, was the maturation of the Fractional Currency Collectors Board (FCCB). The FCCB was formed in 1983 at Memphis and has become quite an active collectors' organization for Fractional enthusiasts, currently numbering more than 200 members. Starting with just 20 members, the club has been relatively stable over the years. Most of the major collectors and dealers of Fractional Currency have been/are members of the club. Leadership in the club has also been stable with just three presidents, Hales, O'Mara and Bolin.

Second is the desired and unfortunately real need for anonymity. This has had a major impact on pedigrees and simply knowing and ranking collections and collectors. When Martin wrote the article, most of the major rarities in the field were known to be in certain collector's hands, and these were listed in Milt Friedberg's book. Now, that information is closely held and is not shared in an open forum. The primary unfortunate side effect of this is the very real potential loss of pedigrees of notes in the future.

The third major change is the ill health of Milton Friedberg. Besides being a big loss to the collecting community, Milt's health problems also results in the loss of keeping his *Encyclopedia* updated. Milt was very diligent about assigning

new and correct Milton numbers when new notes were found and sending updates to the community, via the *FCCB Newsletter*. No one has stepped up to take this responsibility on and the result has been some new notes still not being cataloged.

Another major change in the hobby has been the near complete change of collectors. Most of the major collectors who were active in 1986 have since sold their collections (see below for more on those sales). In fact, looking at the charter and first 100 members of the FCCB, there are only a very few still actively collecting today. Again, due to the need for anonymity, it is difficult to name them, although a number of long time dealers are still active, including Tom Denly, Len Glazer, and Art and Judy Kagin to name a few. Fortunately, most of those collectors who sold their collections have remained active in the hobby today, either as dealers, collectors of a substratum of fractional or other



Matt Rothert

areas of paper money or just from a camaraderie standpoint. Of the major collections Martin mentioned in his article, only the Crofoot/Smithsonian is still intact, but its condition of increasing deterioration is not known by this author.

However, the biggest change in the FC hobby has been the unprecedented growth and popularity of Fractional Currency itself. Often as filler notes in auctions and dealer stocks, Fractional is now riding a wave of popularity and acceptance not seen before. Single notes have topped the \$100,000 mark and recent sales have seen record prices. New, major collectors have been added to the hobby, O'Mara, Goldman, Laub, Paradis and others, although O'Mara and Goldman who formed complete sets of regular issue notes have since sold their collections. New dealers have come forward such as Alex Perakis, Robert Kravitz, James Polis and David Berg. Also, for the first time since Milt published his encyclopedia in 1978, a new reference book solely about Fractional has been published. The year 2004 saw the publication of Robert Kravitz's *A Collector's Guide to Postage and Fractional Currency*. The hobby is at a level today that was not even dreamed of two decades ago.

Detailing of auctions is much easier. In the late 1980s there were only a few major auctions of Fractional Currency. In March 1990, Sotheby's auctioned the Dr. Ronald Kessler collection of fractional (237 notes—almost a complete set of regular issue and proofs/specimens and many associated items) as one lot in its New York sale. Stack's was the lead auction company with Martin Gengerke as the cataloger. In May 1992 Stack's sold the Allen May collection, which had a number of rare and unique proofs and experimentals as well as being only the second auction in history to have Fr. 1351, 1353 and 1354 notes all in the same sale. In March, 1993, Stack's sold the Herman Halpern collection of Fractional, another large and important collection. In September 1993, they auctioned the Harold Korin collection, and the David Proskey collection with duplicate notes from the H. K. Crofoot collection (more from both collections were sold in March 2000).

However in November 1991, the FC hobby changed forever. Long time Fractional Currency dealer Len Glazer partnered with Allen Mincho and formed Currency Auctions of America. Since that first sale at the PCDA show in St. Louis, the firm has conducted more than 40 additional sales, auctioning most of the important collections of Fractional Currency. It started with the Wayne Leichty sale at FUN '94. This was followed by the Martin Gengerke sale at FUN '95, the first complete set of fractional ever sold at auction including the then unique Fr. 1352. CAA followed this monumental sale with the Martin Delger sale in October '95 and the Phil DeRosa sale in May '96.

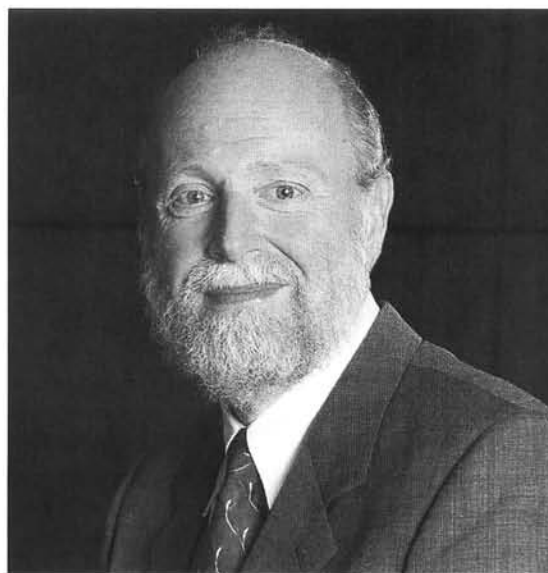
In January of 1997, CAA sold the famed Milton R. Friedberg collection. A massive collection, the sale comprised more than 1400 lots, with all but one being Milt's. Milt only lacked the Fr. 1352 to have a complete collection and had all the specimens and proofs, 90 inverts, more than 150 experimentals/essays and numerous other associated notes/items. CAA then



Doug Hales, Tom O'Mara and Milt Friedberg (L-R)

Early FCCB membership dinner/meeting at 1986 Memphis International Paper Money Show





Wally Lee and Len Glazer

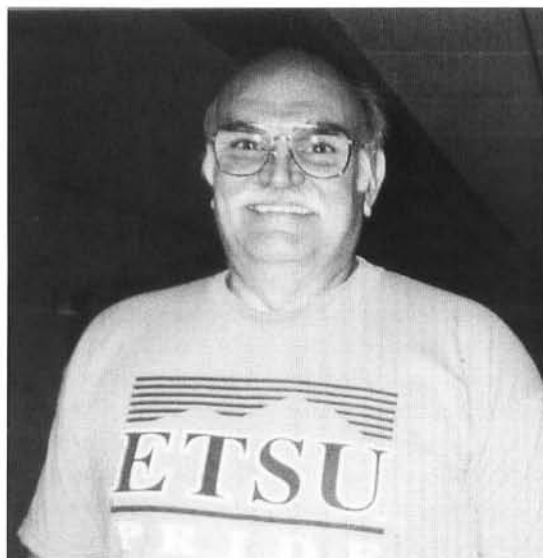
auctioned the Frank Harris sale in May '97, the Dr. Wally Lee sale at FUN '99 and the Mike Marchioni sale at FUN '00, a collection highlighted by many quality notes.

Stack's importantly reappeared on the FC scene in May 2003 with the first of its many sessions offering the famed John J. Ford Jr. sale, which of course includes the unparalleled F.C.C. Boyd collection of Fractional.

Two very important private sales occurred in this time period as well. The Michael Goldman collection was sold by Tom Denly. It was notable in that he had a complete set of regular issue notes as well. The Fr. 1352 and 1373a were purchased by Tom O'Mara which then completed his set of regular issue notes. The second private sale of note happened when Tom O'Mara bought the Douglas K. Hales collection (one of the top two collections in existence at the time) in its entirety. With the purchase of the aforementioned notes and then the Hales collection and the impending sale of the Ford-Boyd collection, the O'Mara collection became the number one collection in the hobby.

This author has little knowledge of the Smithsonian collection, but based on observations by Hales and O'Mara, the collection is nice, but has many regular issue notes missing so it would not be considered in the upper echelon of

Wayne Leichty and Mike Marchioni



the hobby. What does make the collection unique are the large number of treasury department proof sheets which are considered uncollectible. During this same time, many new and avid collectors joined the hobby ranks, accounting for the high prices of notes. Also, during this time, CAA merged with Heritage Coins of Dallas. Finally, as with all the major collections, at the May 2005 Central States Show, CAA sold the O'Mara collection—beginning the demise of the second generation collectors?

All in all, the Fractional Currency hobby has enjoyed a niche market that has served its collectors well. It remains a small sub-stratum of the Paper Money hobby and is enjoyed by all. ❖

Author Gene Hessler releases another major text

FORMER *PAPER MONEY* EDITOR GENE HESSLER could rest on his laurels and still go down in numismatic history as one of principal scholars in the American and worldwide fields of all time. That he doesn't, and has researched, written and released yet another monumental tome, *The International Engraver's Line*, is wonderful news to collectors around the globe.

Hessler's new book results from a lifelong study of security engraving that also witnessed the 1993 release of his *The Engraver's Line*. The earlier opus largely detailed the works of U.S. security engravers. The new volume expands in a similar format global security engraving.

Hardbound within its nearly 400 pages are the life and works of some thousand or so paper money, bonds, postage stamps and stock certificate engravers from around the world. Hessler's lucid style provides biographical details and wonderful compendia of engravers', designers' and printers' works.

The text offers outstanding illustrations, most in color, and many in large detail so the intricacies of the precise artwork can be appreciated by the observer.

Hessler's research derives from many personal contacts and exchanges of letters with various of the security engravers, providing insights and specifics not available elsewhere.

For example, we learn contemporary German engraver Kurt Leitgeb became married in the same year he engraved his first postage stamp. Or, that contemporary Czech artist Alois Mudrunka retired as a high school art teacher at age 48 to devote full time to his art work. Or, that contemporary Thai engraver Weerachai Suwansiri was an apprentice of Leitgeb's at the Austrian National Bank.

Lists categorize the output of the various engravers and artists. Hessler lists bank note engravings cross-referenced to Pick catalog numbers. He also lists postage stamps by stamp catalog references, and other security engraving work.

Hessler's close association to his subjects, yields a variety of treasures. Many of the entries are very comprehensive. For example, English engraver Joseph Lawrence Keen, who died in 2004 and is perhaps most famous as the "Dean

of English Portrait Engravers," has an entry which covers nearly 10 pages. Cited are a hundred bank note engravings, which Keen produced for countries as diverse as Argentina, Botswana, Tunisia and Northern Ireland.

Interesting sidebars cover such topics as the proliferation of newly engraved portraits for Queen Elizabeth II during her long reign, and designers of essays for Euro bank notes. Working photographs of many of the engravers are also included.

The book itself is sumptuously printed, befitting its subject matter. From its full color cover to its superb interior illustrations to its masterful research, Hessler's book evidences a prodigy at the fullness of his syngraphic powers.

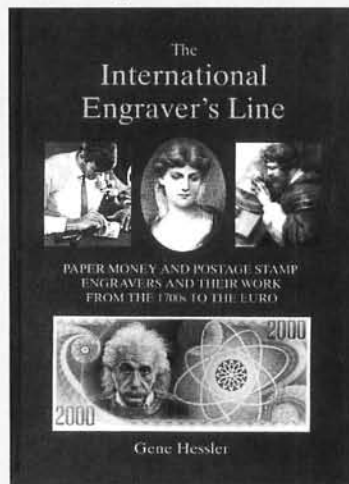
This writer unequivocally recommends that any collector purchase the book, since it sheds light on all areas of paper money collecting. It is both a visual delight to peruse and an intellectual joy to ponder. The book even includes a classy attached ribbon place marker.

My personal favorites are chronicles of the principal global security printing firms, and biographies of the artists who created various notes in my collection. Hessler pursues not just the broad strokes but the details too, and this work is very detailed. Although not known as a worldwide paper money collector primarily, I do have several specialized international note collections and Hessler's is the first book to provide me with details on my foreign notes.

I learned, for example, that the vibrant hospital scene on the Florence Nightingale back of the British 10-pound (P379) was engraved by David Wicks. I also learned that the azure Fisherman on the back of the French 20 francs (P100) was the work of Camille Beltrand. Also, that J.A.C. Harrison engraved the splendid George VI effigy on the Malaya dollar (P11). And that George Gunderson implanted the "devil" in Elizabeth II's hair on Series 1954 Canadian notes.

Hessler's bibliography is extensive; his index is comprehensive, and his page headers are very helpful in locating desired information.

The International Engravers Line, 392 pages, 700 illustrations most in color, and autographed if you desire, is priced at \$74 including postage. A premium edition with signed notes is available for \$140. Address your inquiries to Gene Hessler, PO Box 31144, Cincinnati, OH 45231 or engraver-sline@aol.com You'll be glad you did! -- Fred Reed ❖



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Riot erupts over change shortage Storm breaks in Cincinnati after arrival of Postage Currency

By Fred L. Reed III

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THE 300TH ISSUE OF *HARPER'S WEEKLY*, "A JOURNAL of Civilization," appeared September 27, 1862. On the front page of the six-cent tabloid was an artistic rendering of the Ohio River's big bend from the hillsides opposite Cincinnati in Kentucky. Ohio's Queen City was a metropolis, the largest west of the Allegheny Mountains.

The broad, bustling Ohio River swept off to the artist's right, to the north and east. The watery highway was full of river traffic which made the City of Cincinnati thrive. The community itself appears idyllic, majestic church spires climbing the rolling hills stepped back from the river's banks. But this placid view of the Queen City atmosphere shown in the artist's drawing belied the truth of the difficulties and turmoil being experienced by the majority of Cincinnati's citizens.

Just a few, short weeks later Cincinnati would experience a major mob scene as frustration gave vent to wrath. It took the United States Army to quell the disturbance. The cause of this riot? Something as simple as a shortage of small change. Engulfed by major economic turmoil, the masses had been circulating postage stamps for months before Congress belatedly sanctioned this expedient July 17, 1862, with an authorization to issue Postage Currency.

The Scott catalog (*Specialized Catalogue of United States Stamps*, now produced by *Coin World's* parent company Amos Press Inc.) has long contended that this emission "was not money, but a means of making stamps negotiable." In fact, these notes do clearly state on their face that they were "receivable for Postage Stamps at any Post Office."

Other writers have held that these small notes, the Postage Currency itself, was issued "illegally" since the act referred to stamps not "Postage Currency" notes.

Charles Magnus' colored lithograph, "Birds Eye View of Cincinnati," shows the Civil War era city from the heights behind Newport, Ky., across the Ohio River. Cincinnati was vulnerable to Confederate raiders and a large contingent of U.S. troops was stationed there. Although Copperhead sympathies also ran rampant there, it was mob violence set off by insufficient supplies of postage currency that brought the troops into action in November 1862.

Highly favorable substitute

But such analysis fails to make sense. Postage Currency was a highly favorable change substitute. In fact, it was as “good as gold,” because by the precise language of the enabling legislation it was receivable for customs duties and other obligations due to the United States. Although all the greenbacks were good for those “other” obligations, only Demand Notes and Postage Currency were good for import duties. That is a significant difference, as we shall see.

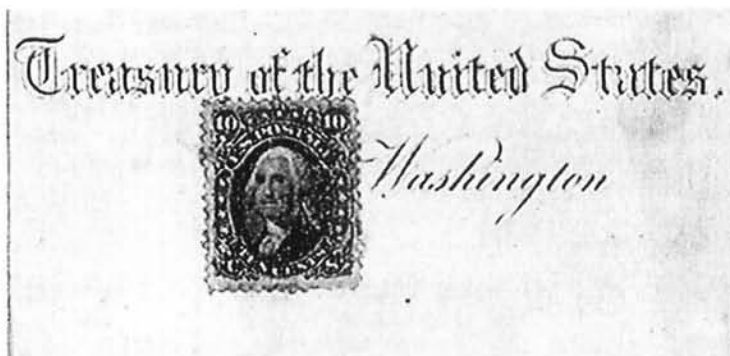
It's as if no commentator ever bothered to turn these notes over, since this provision is clearly spelled out on their backs. Postage Currency states in part: “Receivable in payment of all dues to the U. States (sic) less than Five Dollars.”

This provision was a natural downward extension of the preferential treatment originally accorded the Demand Notes (i.e. receivable for customs) *vis a vis* the subsequently authorized United States Notes, the legal tender greenbacks. Because of this, Postage Currency extended the opportunity to pay taxes, fines, purchases of public lands, customs and other duties due to the

central government downward to the least citizen in the land, since they were legally equivalent to the Demand Notes and specie in small sums. (note: Demand Notes were printed in denominations down to \$5)

These equivalency provisions, which legally made paper equal to gold and silver in the payment of customs, were dropped from the better thought out and framed Fractional Currency legislation which provided a substitute currency for the Postage Currency the following year.

But for that year, that difference was etched in law, and it contributed to the monetary difficulties experienced in Cincinnati and elsewhere. Legally, Postage Currency really was a substitute for the silver fractions of a dollar that it was supposed to replace. I find it remarkable that this important distinction has escaped numismatists for so long. In fact, no author in the past century and a quarter since these notes hit the streets has mentioned it!



U.S. Treasurer Francis E. Spinner invented the Postage Currency by pasting regular postage stamps on letterhead stationery. These rare prototypes are from the Crofoot items at the Smithsonian Institution.

Early lack of success

However, this was vital, and contributed greatly to the lack of success the Postage Currency experienced. That difference could surely not have escaped the notice of the frugal Yankee merchants, bankers, and capitalists who queued up to receive their shares of such notes. And in fact, it did not escape the astute commercial minds of the time. Both Demand Notes AND Postage Currency sold at premiums in excess of convenience percentages, precisely because they were pegged to specie.

The premium on Postage Currency led to its hoarding and speculation. Both activities kept large amounts of this currency out of circulation. So the provisions of the unwitting and hastily framed legislation under which Postage Currency was emitted precluded Postage Currency from doing the job it was created to do: circulate and remedy the change crisis.

This is but one example of bureaucratic bungling in which the solution

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exacerbated the problem. In the exigency of the times, there were others. Today we know this phenomenon as the "theory of unintended consequences." People in Cincinnati and elsewhere in 1862 knew it intimately in the hardships of their daily lives. The sum of these effects were that things were not going very well commercially in Cincinnati in the summer of 1862, despite the fact that business was booming with wartime activity.

Adding to the problem of the central government's bungling in monetizing stamps, which led directly to the Postage Currency, private printing contractors were slow to ramp up supplies. Most *Paper Money* readers know that at the time the U.S. government did not have its own security engraving and printing capacity. It relied on outside firms. Manufacturing of the small Federal bills proceeded inexorably slowly. Both officers of the American Bank Note and National Bank Note Companies in New York City, and the Federal officials in Washington, D.C. deserve concurrent shares of this blame.

Postage stamp frenzy



Collectors know that Postage Currency was an expedient to replace fractional silver coins which had fled from active circulation. The notes copied then current postage stamp designs.

Because of the tardiness of the promised Postage Currency relief, the public continued to buy excessive amounts of regular postage stamps to pass as change. Postal officials were disconcerted as daily sales mounted to unprecedented levels. Sales in Cincinnati directly attributable to stamp purchases for change were reliably estimated at \$50,000 for the months of July, August and September, 1862. Postal officials sought to curtail this run on their postage stamp stocks, but with little success.

By early October Cincinnati newspapers were decrying this state of affairs. "The use of postage stamps as a circulating medium will undoubtedly soon be checked," the *Daily Enquirer* postulated hopefully while reporting the most recent Washington actions to curb stamp sales.

The Post Office Department had just issued a series of directives to local postal officers to crack down on what it deemed the prevalent reuse of stamps on letters in the prepayment of postage. Because most stamps were soiled from currency use, unscrupulous persons were attempting to remove postally-cancelled stamps, and reaffix them to letters in the hopes that one dirty stamp would look pretty much like another to the Post Office.

Not so, the Post Office officials in Washington claimed, warning that letters deemed fraudulently sent would wind up undelivered in the Dead Letter office. And ALL dirty stamps were suspect and susceptible to repudiation by the Post Office,

the account warned.

The remainder of the *Enquirer* report was a long, plaintive summary of the Queen City's experience with postage stamps as currency. An estimated \$50,000 in postage stamps was in circulation there, the newspaper opined. They had been used for everything from food, to drinks, to cigars.

"For the past few months stamps have been so extensively circulated as a substitute for small change that they are now found in everybody's pockets," the newspaper said. "These have been given a wide range by our merchants, and all alike have received them in large and small quantities. No matter what you purchased, you are bound to receive as change these sticking plasters.

"And they have proved themselves by no means a convenient substitute," the account continued. By constant use they easily become torn and soiled,

and the unfortunate possessor is compelled to pocket the losses."

Cincinnati officials received supplies of the fractionals but slowly, and then only in small quantities. The arrival of the long-promised notes was so long delayed and so slow, in fact, that in early November 1862, the receipt of but a small amount at the city's Customs House set off a full scale riot after most of the amassed crowd (quickly turned to a mob) failed to receive any notes at all.

So scarce were these notes that Postage Currency was being sold at 5 to 10 percent premium by the city's bankers. "To exchange a dollar bill," one of the local newspapers complained, "you must lay it nearly all out." Large firms brought in large quantities of the Postage Currency from the East, but even they paid it out at 12.5 to 15 percent advances. These notes were no help to the public.

A frustrated customs collector, Enoch Carson, who was charged with distributing the small quantities to be officially released in that city, put up a large sign: "NO MORE Postal Currency At Present. Until more comes, no use making Inquiry."

Money substitutes

Stamps were being pressed into circulation in other ways, too. The Cincinnati Customs House was only two doors from John Shillito's famous store. His Cincinnati encased postage stamps remain as evidence that Carson's sign was up more than it was down -- at least in those fateful months of 1862. Shillito was not alone. Four (not five, as author Arnold Perl has written) Queen City dry goods establishments, Shillito's included, took money matters into their own hands and commissioned John Gault's private currency medium. Harpel, a Cincinnati printer, made up small envelopes to preserve the stamps while in circulation.

There are other evidences, of course, of the small change crisis. The Cincinnati City Council debated the feasibility and legality of issuing a municipal fractional scrip, while the city staggered commercially under the oppression of an uncertain Federal fractional note supply. In the end the local politicians chose inaction, citing the state law against issuing such notes.

But as delay mounted upon delay, and excuse upon excuse, the city's merchants could wait no longer in providing themselves with a small change medium with which to continue their business. While several opted for the encased stamps, others issued private scrip. Most turned to the city's local die sinkers. They commissioned cent substitutes, which quickly became ubiquitous in the summer of 1862, but these small coppers could not remedy the crying need for silver change.

The Postage Currency finally debuted on Aug. 21, but it was more than two weeks later before supplies were generally forthcoming (even New York City had to wait until Sept. 8th to receive its first supply). By the end of September nearly \$800,000 of the currency had been released. But by Oct. 7 only ONE small distribution had been made in the Queen City. This "had not afforded any relief from the inconvenience attending the scarcity of silver," the *Daily Enquirer* complained.

The rush is on

The change-starved public reacted like dehydrated race horses smelling



Washington law makers hastily prepared legislation authorizing the Postage Currency. In their haste they made the paper scrip legally equivalent to specie. This redemption clause caused the notes to be hoarded and sold at a premium just like their coinage counterparts. Thus they were doomed to interrupted circulation and did not prove to be the remedy to the small change shortage they were designed to be. The defective redemption provision was remedied by subsequent legislation authorizing Fractional Currency.

water when the opportunity to acquire some of the small fractional notes presented itself. On Oct. 7 rumors circulated that another \$8,000 in Postage Currency was available for distribution. People bolted from the starting gate.

Under the headline, "The Rush for Postal Change," the *Enquirer* reported that the notes "created an excitement with the retail dealers, who have been suffering for the lack of small change, and the rush at the commencement of business at the Customs House was overwhelming."

Supplies were rationed to \$5 per person. Think of that, only 1,600 individuals could be accommodated in a city of 160,000 people. Even then one greedy soul boasted he had obtained five times the specified amount. The *Enquirer* said that he must have spent the entire day standing in line to amass his small sums.

Alas, by nightfall the entire amount was gone, but not before the small change furor had exceeded the woes of the coal famine of the previous winter. The Postage Currency supply had failed to meet even one-tenth of the demand, the paper said. This rush for postage notes was only a prelude of what was to come.

In dire straits, the merchants of Cincinnati sought sympathetic ears in Washington, D.C. Forty thousand Cincinnatians relied on retail trade, and several of the mercantile members of the City Council estimated losses due to the inability to make change at \$100,000 to half a million dollars.

One of the activist members of the city council, inventor and manufacturer Alexander Latta, suggested that they simply descend on Washington as a group and remind the President, the Secretary of the Interior, and the Attorney General about political realities. All three, Abraham Lincoln, Caleb Smith and Edward Bates, were westerners likely to be sympathetic to the needs of their suffering Republican brethren.

"Mr. Latta wanted the Committee to go to Washington and inquire of Messrs. Lincoln, Smith and Bates if they had forgotten where they came from, and if from the West, why [more Postage Currency] had not been sent out here. We should demand that our share of the postal currency be sent West," Latta said.

Fellow Ohioan Salmon P. Chase held the Treasury Secretary portfolio at the time, and the remonstrances of local merchant and banker John W. Ellis and others for relief finally met with some success. On Oct. 10, Chase directed that a special shipment of \$10,000 in Postage Currency be sent to Cincinnati, according to an entry in



Postage Currency was so scarce in Cincinnati in fall-winter 1862 that these notes were being sold at 5- to 10-percent premium by the city's bankers. Large merchants caught on quickly. They imported quantities of notes directly from the East and hawked them at 12.5- to 15-percent advances.

his personal diary.

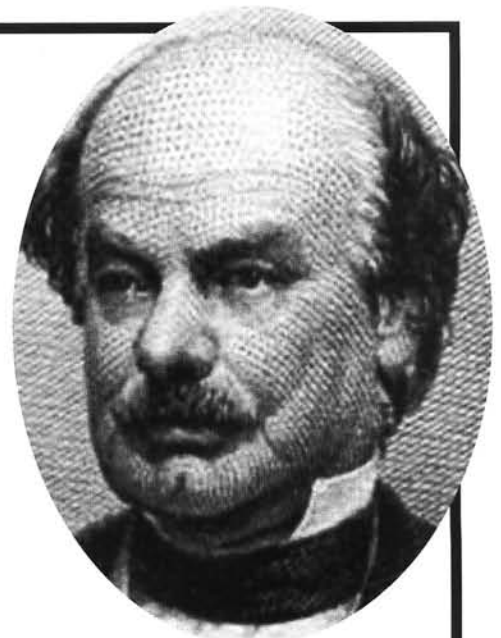
Unfortunately, such a sum was merely another drop in the bucket. The meagerness of the sum in the face of the severity of the problem, only exacerbated local opinion. Citizens felt like salt had been poured on civic wounds.

The situation was bleak, the newspaper said. Postage Currency was in such short supply that, for example, the Pendleton Street Car Co. was giving only 30 cents in Postage Currency in change for a five-cent ride when payment was made with a 50-cent Postage Currency note.

The "crying scarcity of small change continued." The use of postage stamps had failed. The issue of Postage Currency was yet to get off the ground in a meaningful way. Local businessmen professed the "disposition...to remedy the evil by issuing checks," the newspaper reported Oct. 19.

Although state law prohibited the issue of such shinplasters, private

The Fractional Currency Collectors Board (FCCB)



**Thanks the Society of Paper Money Collectors
for this special issue of Paper Money
dedicated to Fractional Currency.**



**For information about the FCCB
contact membership director
Bill Brandimore at
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resourcefulness filled the void. The newspaper recounted the state of affairs: "As a last resort, hotel keepers, merchants and others are inclined to adopt the alternative of flooding the market with 'Good for Ten Cents' pasteboard." Even members of the City Council were issuing such change checks in connection with their business interests. "There is no law against necessity," one of their number opined. Circulation was extensive. Cincinnati Henry Clay Ezekiel listed nearly 100 varieties of cardboard chits alone.

Newspaper endorsement

Treating the situation realistically, the *Enquirer* editor agreed with his change-strapped fellow citizens. "The necessity of change is imperative," he wrote. "As all other sources have failed, the inevitable result must be the introduction of the shinplaster system."



Introduction of hundreds of millions of dollars in fiat legal tender notes created inflation. As the value of these notes sunk the value of Postage Currency, which was tied to Demand Notes and specie by their redemption clause, rose. Eventually, in places like Cincinnati this premium reached 20% and more. Holders of the scarce notes available were naturally reluctant to part with them.

Currency distribution would be quickened, the minute quantities of Federal fractionals seemingly dried up before reaching commercial channels.

The situation continued to deteriorate. Weeks later the problem was no better. In fact, with the passage of time and no substantial relief, the mess became undoubtedly worse. A frustrated Customs Collector, Enoch Carson, representative of the government and its depository, found it necessary to take the offensive.

Officially it was maintained that production was earmarked one-third for New York City, one-third for Boston, and one-third for the Western regions. Although that distribution plan might have been equitable on paper, it was not working in fact. By the end of October only \$8,000 had gone to Wheeling, WV.; only \$8,000 had been received in Pittsburgh; and only \$25,000 had reached Cincinnati.

Cincinnati could no longer survive on promises from Washington. Hounded by local businessmen, harassed by the public and local newspaper

The *Enquirer* endorsement, however, was couched in rhetoric. "There is undoubtedly considerable silver in the market, which is kept out of circulation on account of the high premium demanded," it noted. If everyone concerned generally accepted that commercial premium on specie and received and paid it out based on its advanced value, coinage might return to its purpose, the paper suggested. "This method, if universally adopted, would soon remedy, to a great extent, the inconvenience arising from a scarcity of change," the publication added. Unfortunately, that simple expedient, which was also proposed by Horace Greeley in New York and other editors, never materialized.

Having covered their bases, the newspaper's publishers Faran and McLean could not help but be more than a little biased by such small change proposals. They were hardly disinterested parties to the outcome of the discussion. Beginning in mid-October, the newspaper actively solicited shinplaster job printing for Hart and Co., a subsidiary located in their basement.

Although Cincinnati was THE major Western city of the time (Chicago not excepted), it was being overlooked by officials in the East, Queen City merchants and public alike felt. Even while Washington bureaucrats kept promising that the pace of Postage

editors alike, Customs Collector Enoch Carson took matters into his own hands. Unheralded, he boarded a train Oct. 26 destined for Washington to attempt to shake loose some of the rationed official change notes for his fellow Cincinnatians.

The Depository's trip to Washington was a great success. Carson returned to the Queen City acclaimed as a virtual conquering hero on Nov. 1st. The *Cincinnati Daily Enquirer* spotlighted his successful return in the following day's newspaper. "He [Carson] has succeeded in obtaining a promise that \$25,000 of the change should be sent to Cincinnati at an early period of this week. When it arrives it will be distributed as soon as the necessary arrangements can be made," the paper reported excitedly.

In an interview with the newspaper, Carson said similar commercial disarray was disrupting New York, Philadelphia and elsewhere. Contrary to rumors circulating in the press, he said, stepped up production of the Postage Currency had not happened as yet. The highest production day to that time had been but \$27,000. Still officials in Washington and New York were promising that the pace would be quickened imminently to \$100,000 daily, Carson told the reporter.

Even with the promised new shipment, Carson informed the press that he would be forced to limit quantities to \$5 per individual. Even then, the paper claimed, the promised \$25,000 amount would go a long way to easing the scarcity of money in the marketplace.

At that time the paper's "Commercial Intelligence" quoted silver at 23-24 percent premium for half dollars and quarter dollars in Cincinnati (the same premium as Demand Notes, by the way), and 18 percent for smaller silver fractions. But at those rates the largest holders were only rebuilding their stocks of specie; none was flowing into the marketplace because the sharpest financial minds were not selling. They fully expected the rates to go higher still.

The limited amount of Postage Currency in circulation in the Queen City was causing "serious inconveniences. . . as the merchants refuse to change a bill if less than 50 cents worth is purchased, and in some cases 75 cents worth," the newspaper reported.

The paper's commercial writer whetted readers' appetites when he predicted that Carson would release the newly acquired \$25,000 in Postage Currency within a day or two. This report only fueled already overheated consumers. Expectations rose.

As the big day approached, the city's populace peaked at a fever pitch of excitement. Twenty-five thousand dollars in new Postage Currency would double overnight the stock already released in their city. As the day of deliverance approached, conversations in saloon and salon alike turned increasingly to that topic. There was little else of such great import to the public's mind. Not even war news from "the front" came so readily into public discussions.

The expectation built like that before a summer thunderstorm which would finally douse an extended drought. Candidates for the currency (and that included everyone) could think of little else.

The storm breaks

Heavens opened and the storm broke on Nov. 4th. It was a day that few who experienced it would soon forget. The electricity that had been generated by want and built up by three months of privation broke loose all at once in a savage fury.

"Yesterday was a day of excitement in Cincinnati, the like of which has



Postage stamps were an inadequate means of making change, but as an emergency expedient were pressed into circulation in Cincinnati and elsewhere.



John Shillito's dry goods emporium was only two doors from the Cincinnati Customs House where Postage Currency was being paid out, but proximity proved no remedy to the retailer's change problems. Shillito and three other firms took matters into their own hands and circulated their own stamp money. Shillito paid out about \$1,000 face value of this small change.

not been known in this city for many years," the *Daily Enquirer* reported Nov. 5 under a banner, 12-deck headline, headed:

"The Small Change Panic In Cincinnati,"

The tenor and flavor of the report is captured by some of the read out headlines pitched beneath that squealer:

"5,000 Citizens Demand Postal Currency

At the Custom-House Yesterday

**"United States Troops Called Into Service
to Quell the Excitement**

"The Collector Disburses \$15,000

**"Compelled to Stop Distribution and
Appeals to City Council to Relieve Him**

"No More Currency to be Distributed Today"

Given its pandering headline, "Apprehensions of a Riot," the newspaper's account opened in an understated fashion. "There is no concealing the fact that the small change panic absorbs the attention of all classes of citizens, and the inconveniences, under which particularly the retail trade and laboring classes labor, have led to a great deal of clamoring for change," the *Enquirer* said.

"The Collector's office, at the Customs House, has been besieged daily to the most provoking degree. In church or bed, on the street or in the office, there are cormorants for postal currency, begging for five dollars' worth or Uncle Sam's change. The annoyance is without parallel, and the demand is greater than it was three months since..." the report continued.

What had happened simply put is that the crowd, numbering 5,000 to 8,000, had descended on poor Enoch Carson *en masse* in a virtual carnival atmosphere. Expectations were high; deliverance was nigh.

To control such a vast crowd, a special chute had been constructed to funnel people single file past tellers' cages. The early birds must have been jubilant to finally get the promised Postage Currency into their clutches.

But after hours and hours of paying out \$5 sums, apprehension overtook those still standing in line awaiting their turn at the cashier's cage. Tension prevailed. The day wore long; the crowd's mood turned ripe, then ugly.

Collector Carson rationed out the aforementioned \$15,000 in small amounts by late afternoon, and yet much less than half of the crowd had been supplied. Disappointment loomed on the horizon for many. Most of the crowd had been standing in the street all day long patiently awaiting their opportunity to acquire the precious slips of paper specie. Now fears that the Postage Currency would all be gone before they got to the tellers' cages started to sink in.

The crowd's mood turned ugly. They crushed forward and mobbed the Customs House. Collector Carson, who had started out the day as the public's savior, had suddenly once again resumed the position as the object of their scorn.

The din in the street grew louder and more demanding.

Carson terminated his disbursement, closed his doors, and drew his shades. Then the mob actually turned violent, their expectations having been crushed with cruel disappointment once again. The mob shouted and railed against Carson. Then they turned upon the Customs House itself and laid siege.

The Small Change Panic in Cincinnati.

5,000 CITIZENS DEMAND POSTAL CURRENCY AT THE CUSTOM-HOUSE YESTERDAY.

APPREHENSIONS OF A RIOT.

United States Troops Called Into Service to Quell the Excitement.

THE COLLECTOR DISBURSES \$15,000.

Compelled to Stop Distribution and Appeals to City Council to Relieve Him.

NO MORE CURRENCY TO BE DISTRIBUTED TO-DAY.

The Amount Daily Issued by Government.

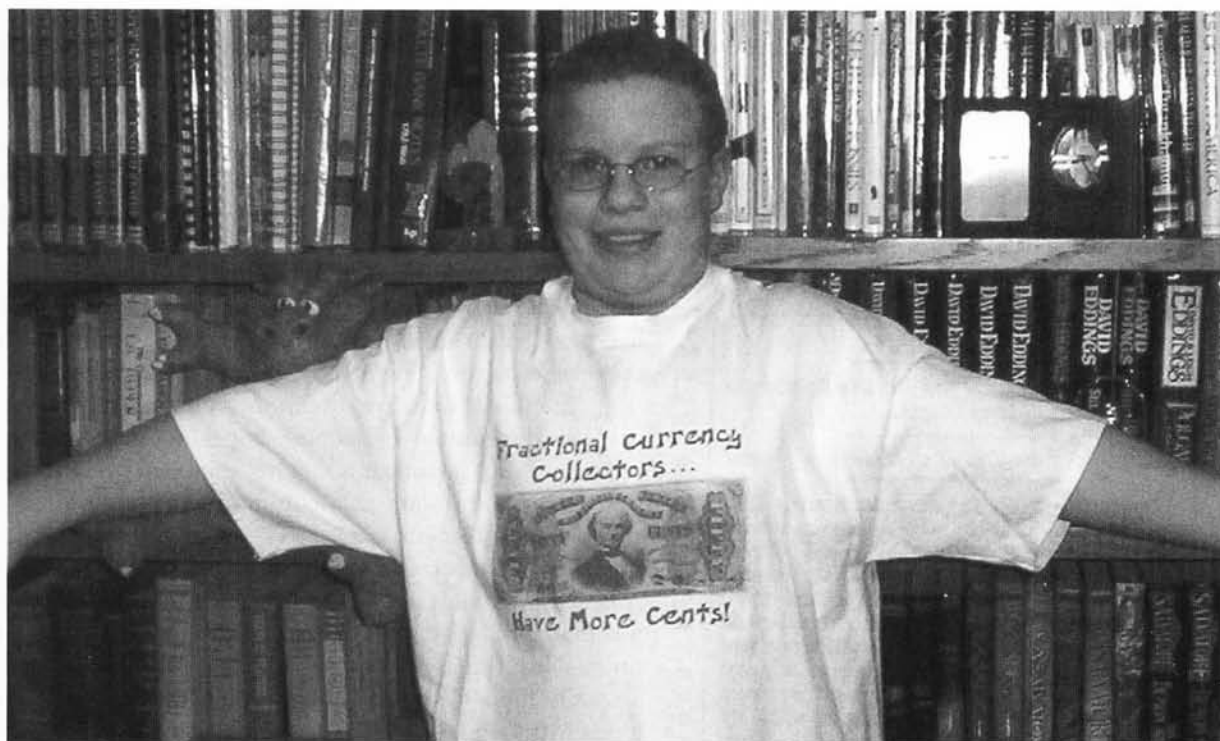
SPECIAL MEETING OF CITY COUNCIL.

RESOLUTIONS TO ISSUE CITY CURRENCY.

ENLARGED DISCUSSION BY THE TRUSTEES.

City Collector's Opinion and the Law Making the Issue Illegal.

Although yellowed newspapers don't reproduce well, it is apparent from the 12 headline decks with which the *Cincinnati Daily Enquirer* reported the story of the Postage Currency riot that something rather major was afoot in the Queen City.



Brandon's friend Howard taught him that real nickels were made of paper!



Join the FCCB and learn all the fun facts about history just like Brandon!

For membership information contact Bill Brandimore, 515 Grand Ave, Wausau, WI 54401

(Ad paid for by Howard Cohen, FCCB Secretary)

Calling out the Army

Carson, a Federal official, summoned the Army for protection. A large contingent under the command of Gen. Lew Wallace (who would later write the famous novel *Ben Hur*) had been stationed in the city to protect Cincinnati from the depredations of Morgan's Confederate raiders. Now the Army found itself obligated to defend Federal property from its own citizens.

"The United States troops called into service to keep the excited populace at bay, were forced to use the bayonet to prevent the disorderly crowd from breaking into the Customs House," the newspaper reported in its typically understated style.

ENLARGED DISCUSSION BY THE TRUSTEES.
City Collector's Opinion and the Law Making the Issue Illegal.

Yesterday was a day of excitement in Cincinnati, the like of which has not been known in this city for many years. There is no concealing the fact that the small-change panic absorbs the attention of all classes of citizens, and the inconveniences, under which particularly the retail trade and laboring classes labor, have led to a great deal of clamoring for change, either from the Government or the issuing of scrip by the city. The Collector's office, at the Custom-house, has been besieged daily to the most provoking degree. In church or bed, on the street or in the office, there are commuters for postal currency, begging for five dollars' worth of Uncle Sam's change. The annoyance is without a parallel, and, notwithstanding forty-thousand dollars have been distributed in Cincinnati, a larger sum than has been received by any other Western city, the demand is greater than it was three months since.

Mr. Carson hearing indirectly that the Government was issuing a larger supply than the public knew, \$55,000 daily, and that one third of that amount went to New York, one-third to Boston and one-third to the West, he supposed that the West was not

"The people clamored: loudly, and openly declared that there was not fair play, although a single passage way had been constructed for a procession to pass the window, each passerby receiving his \$5 worth of the currency."

The *Daily Enquirer*, which in some measure was culpable in drumming up people's hopes, defended Carson's actions. "Mr. Carson certainly has exhibited every disposition to accommodate this community," the publication stressed. But Carson, himself, had enough of his "no-win" position. Under the security of an armed guard, he stormed into the City Council meeting, which even then was debating measures to attempt to relieve the city's continuing small change woes.

On the table was another proposal for the city to issue its own fractional notes. Carson punted. He offered the council a quickly formulated plan: He would turn over to the Council members most of the remaining \$10,000 in Postage Currency that he presently possessed. They would then arrange for distribution within their own wards. "He is exceedingly anxious to be relieved from the future distribution of the postal funds at his office," the newspaper emphasized.

After 100 days of continual frustration, recrimination, and bodily threats, it's no wonder that this harried public servant would "want out." Carson's plan was a master stroke. It directly answered two crying needs: (1) Decentralizing the distribution which would diffuse massed hysteria of the kind that had chased him from his office that

"Yesterday was a day of excitement in Cincinnati, the like of which has not been known in this city for many years," the newspaper account of the Postage Currency riot begins. "There is no concealing the fact that the small change panic absorbs the attention of all classes of citizens..."

very day; and (2) Hopefully it would also defuse charges of favoritism in the future, because then the council itself (the citizens' elected representatives) could account to the public for the dispersal.

"The Council could then make a weekly statement to the public of the amount [of Postage Currency] received and distributed, and all would be satisfactory," Carson hoped.

His proposition would also have personal benefits, the Collector knew. If the Council accepted, the buck-passing Customs Collector could extract himself from his predicament. He could no longer personally distribute the currency to the public, nor would he do so any more. He wished to be relieved of the untenable position into which he had been thrust. "Our citizens need not; therefore, call at the Customs House for Postal Currency. They will not get it there," if the proposal were adopted, the *Enquirer* emphasized.

One can hardly blame Carson. The 24 Council members quashed Carson's offer immediately. There was no way they were going to be caught up in this sticky spider web. One can hardly blame them either. They were not deaf to the roars of the dissatisfied and unruly mob. They had more per-

sonally at stake than their political futures. After all -- those were real steel bayonets the troops had mustered. Would they arrive quickly enough the next time demand exceeded supply? Council members wondered.

The newspaper's genteel account of the Council's polite refusal leaves much unsaid between the lines: "The Trustees of the Council very politely thanked Mr. Carson for the honor and confidence, but were positive in their opposition to his proposition -- they were more favorable to going a fishing than to perform such an onerous task. Mr. Carson received the Council's sympathy, but no assistance was tendered."

Daunted, with the monkey still on his back, the government official "retired to devise some other method, of which due notice will be given to the public," the *Enquirer* informed its readers.

Carson's situation was tenuous, and he knew it. His predicament wouldn't just go away with time if he ignored it. The longer the conditions persisted the worse they grew. It seemed to be an unending spiral: Bad to Worse to Much Worse with no end in sight. The shortage of small change -- particularly the cherished Postage Currency -- was a festering sore that affected the whole community.

The riot's aftermath

Customs Collector Enoch Carson's mental state need not be guessed at. In the *Cincinnati Daily Enquirer* of Nov. 7, 1862, under "Special Notices" he placed this plaintive appeal: "POSTAGE CURRENCY: Persons are hereby notified not to inclose money to me through the Post Office nor in any other way, for Postage Currency. My present supply is about exhausted. The labor of opening these letters and returning them is very great. I have not the currency to supply the one-hundredth part of the demand."

Carson then went further in his attempt to assuage public dissatisfaction. The following day he dispatched a letter to the editor of the *Enquirer* explaining his personal plight. "I am receiving hundreds of applications from our business men, asking me to furnish them with postal currency," Carson wrote. "The supply of Postage Currency received by me is totally inadequate to meet the tremendous demand that is made upon me, for it."

He also enclosed a copy of a letter he had addressed to one of the principal businesses in the community in which he estimated that the *pro rata* share sent to him for distribution up to that time would be less than 5 cents, thus "it would be utterly useless. . .to attempt to supply individual applicants."

Carson asked the editor to reprint his response, which was done. Publication of the copy of that letter by which he refused any further correspondence regarding Postage Currency would have to suffice for everyone, Carson wrote. He would answer no more inquiries. He no longer had the time much less the energy to open his mail, let alone answer it!

Carson then hatched a revised plan to distribute Postage Currency. In the future, he would not risk touching off another riot in the city. Thenceforth -- "and until the supply becomes much greater than at present" -- distribution would be to government officers first before disbursing ANY Postage Currency to businessmen or the public.

This new program was simply a variation of the plan that the City Council had rejected two days previously. First priority, according to Carson's



Cincinnati commercial houses were caught short by the overwhelming dearth of government coins in circulation AND the scarcity of the promised Postage Currency remedy. Some like the city's grand hotel, the Burnet House, simply turned to the printing press to supply this want.

reckoning, would be U.S. disbursing officers (paymasters, quartermasters, Internal Revenue agents, and Postmasters); second would be the Ohio state treasurer; third, county treasurers; and fourth, city treasurers. His plan precluded any further direct public involvement since the "supply at present is quite inadequate to meet the demand of the above-named officers. . . They ask for dollars, when I have but cents to give," Carson excused himself.

The federal official publicly begged the forgiveness and forbearance of the business community and public. "I fully appreciate the inconvenience the entire community experience for the want of small change to carry on business, but it is out of my power to give the relief asked for."

He then explained his situation in detail: "As United States Depositary, I am the only disbursing officer for the whole of the State of Ohio, and a great part of Indiana; the country people and the citizens of other cities and towns in these states, have equal claims with the citizens of Cincinnati for their share of this currency.

"Every dollar received by me will be fairly distributed to the people through their servants, as above. The whole amount received by me up to the present date has been paid out, except barely sufficient to carry on the business of this office," Carson concluded.

Although Carson had somewhat diplomatically washed his hands of the mess, the problem remained. As November faded and December dawned, the small change problem was still unresolved in Cincinnati. The man on the street was reading about the increased production of Postage Currency back East, but was complaining louder and louder that he wasn't getting his share.

Joe Public's pleas caught the ears of the editor of the *Cincinnati Daily Enquirer*. Regarding the distribution of change and the government's intention to ensure equity, the newspaper said: "It was not intended that one man should be favored more than another, and yet there are thousands of our citizens complaining that they can not be accommodated."

The newspaper editor then proposed a novel scheme. The simple solution, he said, was for the government to turn large quantities over to the street railroad companies in the major cities and "let them circulate it. By that means everybody would get a little, and the object of the issue would be accomplished." Since major cities of that time, like Chicago and New-Orleans, were literally surviving commercially by

using trolley tickets for change, his idea is not so outrageous as it might at first seem.

A month after the Cincinnati Postage Currency riot, the *Cincinnati Daily Enquirer* reported a familiar story. On Dec. 5 it asked: "There is an increasing demand for small change in this community. If [the] Government is manufacturing \$100,000 daily, would not one day's labor be of immense benefit to Cincinnati?"

The interim solution in Cincinnati, as else where, continued to be private enterprise to the rescue. In the Queen City as in many other communities relief took the form of more private shinplasters. These cardboard, pasteboard and paper promises to pay "were of all sizes, kinds, and conditions, from the dimensions of a coal or milk ticket to that of a tradesman's business card," pioneer Cincinnati collector, Henry Clay Ezekiel, recounted. Many bore such "denominations" as one load of coal, or one loaf of bread. Most were simply produced, printed in black ink on colored stock. A few were signed by the issuing merchant; most were not.



Early Postage Currency was perforated similar to the postage stamps which the issue copied. Perfs allowed individual notes to be separated from sheets. However, these perforations were abandoned as unnecessary in order to save a step in production and speed up circulation of the small notes.



One particularly large emission was produced at Christmas time that year by T.P. Saunders & Co., proprietors of the city's elegant Burnet House. Their notes took the form of: "Cashier of the Burnet House: Pay bearer Twenty-five (or other-denomination) Cents, when presented in sums of even dollars. Cincinnati, December 26, 1862. No. (filled in ink)." In the center of the note was a picture of the hotel. Note ends were green with the denomination neatly engraved thereon, and a small green border on the sides.

Although these notes may have facilitated holiday revelers, they did not receive universal opprobrium. The *Daily Enquirer* editor, who had ably demonstrated the resourcefulness to speak out of both sides of his mouth, remonstrated: "We have before us one of a new brood of shinplasters that have recently made their appearance among us. They were hatched in a very respectable institution, one that is not in the practice of putting on on its guests anything that is illegitimate, or not worth what is paid for it.

"The thing before us is a neat affair, about two inches wide, and four and a hair inches long & of tough tissue paper far superior in quality to that of the Government Shinplasters. . . It does not look so bad. It is not, however, its looks that we are after; it is something of more importance."

The problem, according to the newspaperman, "is a violation of law, and subjects those who have gotten it up and issued it to criminal presentment. It is an example," he continued, "which, if permitted to pass unnoticed, will fill every avenue of trade with spawns of worthless shinplasters, as annoying as the vermin that drives sleep and rest from the inmates of Camp Chase (an Army Prison).

"It will not do to say that the issuers are able to redeem it. If one is allowed to issue such paper, everybody can do the same. We hope an immediate stop will be put to these issues by the public authorities. That is about the only way the vermin can be killed," the columnist speculated.

Shortage continues

On top of small change riots, large numbers of copper store cards, and encased postage stamps; such an outpouring of private small change notes five months after the Postage Currency was created is yet another indication of the extreme shortage of Federal fractionals in Cincinnati.

Like its counterparts in other change-starved sections of the country, the Queen City was awash with IOUs, promises to pay, and other paper trash of uncertain origin and value. Decrying the temporary relief these makeshifts brought was simply crying "wolf" at the open, but empty chicken house door.


Another indication of the straits to which Cincinnati's commerce had fallen, is that the postage stamps which had been rushed into circulation in great numbers in July, August and September were still passing feebly in commerce in late 1862. It takes little imagination to envision what they looked like by that time. Year's end brought a call for redemption of the soiled postage stamps yet in circulation. Passed so extensively, they were certainly no longer fit for postal service, and their minimal suitability as a stop gap currency had long since passed.


About mid-December the Post Office announced postmasters would begin redeeming stamps which had NOT been postally used. The original plan was that sums up to \$5 would be counted and redeemed on demand. But the dilapidated condition of most of the stamps rendered quick decisions on whether they had been used postally or not impossible. And the general crush

\$50 per week net profits.—NEW ARTICLE. Everybody must have it. Retails for \$1 00. Exclusive rights for sale low. For terms, &c., address BALLOU & SON, Haverhill, Mass. **37** P. S. Samples for Agents sent by mail for 30 cents, Postage Currency. Address as above.

By order of the W. M.
J. WADSWORTH, Secretary.
(Times copy and ed. Enquirer.)

POSTAGE CURRENCY. NOTICE.

 **PERSONS ARE HEREBY NOTIFIED** not to inclose money to me through the Post-office nor in any other way, for Postage Currency. My present supply is about exhausted. The labor of opening these letters and returning them is very great. I have not the Currency to supply the one-hundredth part of the demand.
it **ENOCH T. CARSON, Depositary.**

 **WE WOULD AGAIN CALL THE** attention of our readers to the new Shoe

According to face of the Postage Currency, these notes were to be "furnished only by the Assistant Treasurers and designated depositaries of the U.S." In Cincinnati that meant Collector of Customs Enoch Carson, who could have little suspected what turmoil he would be in as a result of these small notes. Evidence of his thankless job is this public notice, which reads in part: "I have not the Currency to supply the one-hundredth part of the demand."

of individuals interested in liquidating their wads made this policy unworkable.

Reluctantly the Post Office faced up to the vast chore necessary to redeem the stamps it had sold which had then passed against its wishes into commerce. "There was a long line of people in waiting at the Post Office yesterday to redeem old stamps, according to the plan adopted by the Postmaster," the *Cincinnati Daily Enquirer* reported in the days before Christmas, 1862.

"A large number of the packages left on the day previous were redeemed yesterday. The Post Office officials appear to be conducting the business with commendable rapidity," the newspaper added hopefully.

However, the terms of redemption were still not widely known by the community. As the redemption program became more generally known, "longer lines of anxious persons will be seen waiting their turn, and it will be necessary to increase the present facilities for this novel branch of the Post Office business," the paper speculated, since "nearly all of our retail merchants have small stocks of dilapidated gum backs on hand."

As word filtered down, redemption lines for the soiled postage stamps strung out considerably. Postal officials adopted a "take a number" revolving door policy for anticipated January redemptions, according to a public notice published Dec. 28.

With the recent riot still fresh in his memory, the Cincinnati postmaster devised a plan to cut down on traffic at his own doorstep. Only one redemption was allowed per any "party, firm, or association." The person redeeming the soiled stamps must sort them by denomination and segregate different values in small parcels. The aggregate value claimed, along with the claimant's name and address had to be placed on the outside of the redemption envelope.

These envelopes were numbered, and a receipt bearing the same number was given to the depositor. The depositor then waited until official examination by postal workers confirmed the total sum of the deposit. When this was done the number was posted on a bulletin board at the Post Office, and the individual could claim his money.

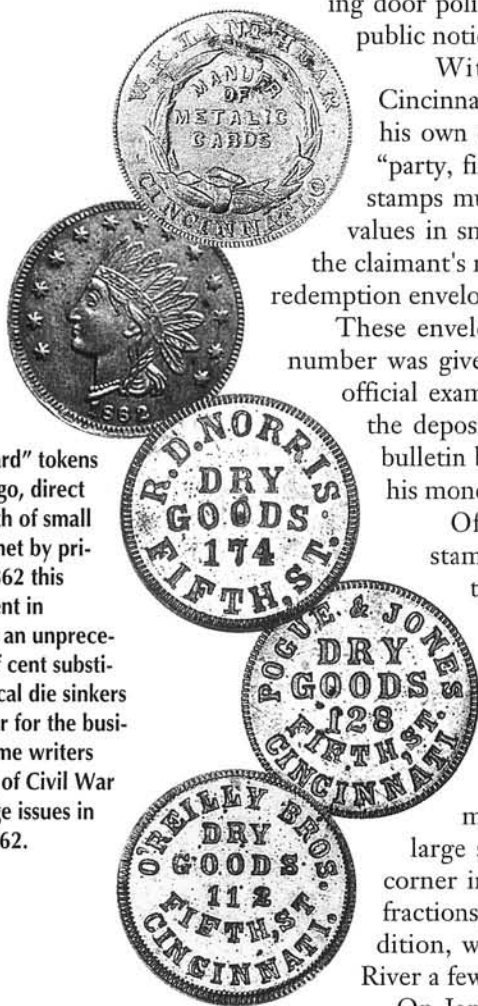
Of course, any claim was subject to reduction for any stamps deemed by postal officials to have already served their intended postal purposes. Another stickler was that payment was to be made in Postage Currency or legal tender notes. The larger denomination bills were available, but the fractions weren't. So the individual could accept the odd-sums in what else? -- Of course, more postage stamps.

However, time and tide do move in the affairs of men. Within a few weeks after New Year's Day, several large shipments of additional Postage Currency turned the corner in Cincinnati. By mid-January quantities of the paper fractions were beginning to free commerce from its frozen condition, which had mirrored the state of the ice clogged Ohio River a few blocks south.

On Jan. 15, 1863, the *Cincinnati Daily Enquirer* reported a commercial rumor under the heading "Whispered About" to the effect that the Postage Currency was "becoming abundant." "There is little or no difficulty," the *Enquirer* said, "in getting a dollar bill changed for a purchase amounting to only ten cents," the editor recounted jubilantly.

At the same time the newspaper urged the community to finally sweep clean the litter of private shinplasters plaguing the city. "With such an existing

In 1861 "Business Card" tokens proliferated in Chicago, direct evidence of the dearth of small change in the West met by private initiative. By 1862 this need became prevalent in Cincinnati leading to an unprecedented outpouring of cent substitutes produced by local die sinkers like William Lanphear for the business community. Some writers trace the outpouring of Civil War storecards to the large issues in the Queen City in 1862.



state of things we see no reason why the individual shinplasters, issued by almost everybody, should be tolerated in this community," the newspaper said. Then the editor added ominously: "In fact we have heard it whispered about that all who have been guilty of this violation of the law will be presented to the Grand Jury at an early day."

Relief from the Postage Currency was short lived. The virgin snows of winter are the sullied slush of March. By springtime 1863 the large influx of small Federal bills had quickly become the "stinking mass of paper" their critics had predicted them to become. Even Cincinnati residents were becoming sick of the Postage Currency that they had taken to the Streets to obtain only months earlier. Passed from hand to hand throughout the inclement winter season, these small bills had suffered the same fate as the stamps they had replaced. Postage Currency became dirty wads in pockets and pocket books alike.

The government knew it needed to implement a currency exchange, but it also needed a ready replacement for the notes it redeemed. After nearly a year of intractable problems supplying small change it wouldn't do to rock the boat prematurely. The Treasury Department also had viewed the Post Office's recent headaches in removing its postage stamps from circulation. A workable strategy was obviously necessary.

Fractional Currency

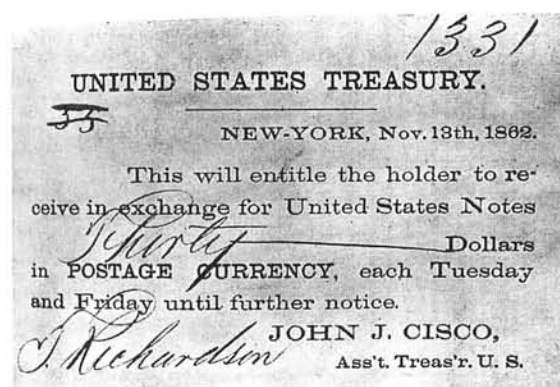
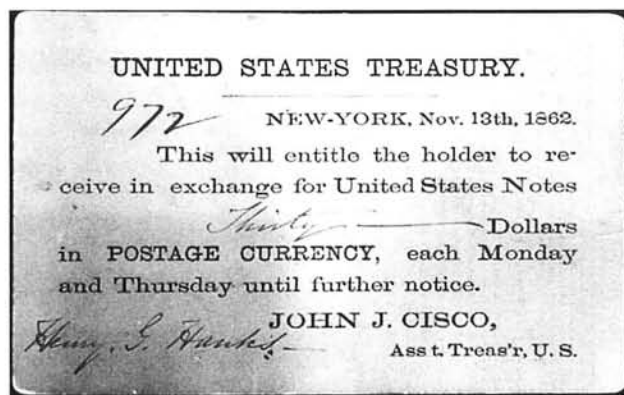
The government brain trust of Treasury Secretary Salmon P. Chase, Internal Revenue Commissioner George Boutwell and Treasurer Francis E. Spinner went to work. The first plank in their program was laid by the Act of March 3, 1863. Among other things it provided for the issue of a new series of Fractional Currency. Importantly, these replacement notes were no longer to be receivable for Customs. Thus they were no longer legally equivalent to Demand Notes nor specie. This made them less likely to be hoarded than the failed Postage Currency had been. It also would guarantee their circulation as the least valuable money available: a reverse application of Gresham's Law.

In addition the Act also pegged the new Federal fractionals to a depreciated greenback (the legal tender notes, rather than the Demand Notes which were selling at a premium) of floating value. Both considerations would tend to keep them in circulation where they needed to remain from a monetary standpoint.

So the plan was a good one. Unfortunately, the new notes were as long delayed in making an appearance as their predecessors had been. Although specimens of the new notes had already been printed by February 1863, new circulating notes in quantity were not ready for release to the public until Oct. 10 because of many production problems, but that delay could not have been predicted eight months earlier. When the new Fractional Currency was finally released, it was done on a replacement basis, so the stock of small currency in circulation (which by then was ample) did not become redundant.

The Treasury brain trust unveiled their redemption and conversion plan April 1, 1863, in Washington. Immediately the word was flashed to disgruntled merchants and consumers alike via telegraph and newspaper exchanges.

However, official word was slow getting to the West where impatient



Postage Currency was in short supply everywhere. To remedy the kind of problem U.S. Depository Enoch Carson experienced in Cincinnati with mob violence, Assistant U.S. Treasurer John Cisco in New York City issued -- within a week of the Cincinnati riot -- permits for an orderly disbursement of the notes. Permits were issued on Monday-Thursday and Tuesday-Friday basis. The author suspects permits were also issued for Wednesday-Saturday, although he has never seen one.

Cincinnatians waited eagerly for a chance to rid themselves of these small bits of paper that they had taken to the streets to obtain.

On April 10, 1863, U.S. Customs Collector Carson finally received the rules for Postal Currency Redemption from his superior Francis E. Spinner, Treasurer of the United States.

Carson immediately published them. They are strikingly similar to the Post Office plan for removing circulating stamps, but are interesting enough to be recounted here:

"(1) Postage Currency, *not mutilated* (emphasis in the original), when presented to an Assistant Treasurer, or designated Depositary of the United States, for redemption, must have been assorted by the holder, according to denominations, with the faces and upper sides in corresponding order in the package.

"(2) When presented in sufficient numbers, each package must contain one hundred pieces; it must be securely pinned with a paper strap at least one inch wide, and on the strap must be written, in ink, the number of pieces, denomination, date of deposit, and the name of the owner.

"(3) The entire deposit must be securely done up in one package, and upon the wrappers, indorsed with ink, the date of deposit, the amount contained, and the name and residence of the owner.

"(4) No sum less than five dollars will be redeemed, and packages will be paid for in lawful money of the United States, in the order as to time in which they shall have been received so soon as the currency can be counted and passed upon."

In other words, the person redeeming notes needed at least 100 uncut notes of a denomination. The immediate effects of this notice were two fold: (1) People possessing notes in decent shape would not spend them; and (2) People possessing notes in poor shape could find no takers.

It was like gum on one's shoe. The government created another tacky administrative boondoggle. It had pulled the plug on its (finally) moderately successful plan of floating paper small change in the streams of commerce. What was a person to do?

Well, federaldom also had its plan for mutilated notes, which constituted the bulk of the original emission by then. Its "Rules For Redemption of Mutilated Postage Currency" were concurrently published by Collector Carson. These instructions



The construction of the hastily framed Act which monetized postage stamps and led to Postage Currency unwittingly made the notes receivable for import duties. Because they could be used to pay customs, they were legally equivalent to Demand Notes and specie, both of which sold at a premium. This caused hoarding of the Postage Currency, which itself prolonged the difficulties they were supposed to remedy. The Fractional Currency authorized by Act of March 3, 1863, remedied this problem.

given the Customs Collector read:

"Fractional notes, commonly known as Postage Currency, can be exchanged, if *not mutilated* (again, the emphasis is in the original) with any Assistant Treasurer or designated Depositary of the United States, in sums not less than five dollars. (Note: the minimum requirement for non-mutilated notes was 100 notes of similar denomination, 100 X 5-cents equals \$5.)

"Defaced notes, if whole, are not considered as mutilated; nor is an evidently accidental injury, not reducing the note by more than one-tenth its original size, regarded as a mutilation.

"Mutilated fractional notes will be redeemed at the Treasury of the United States, *at Washington* (emphasis in the original), under the following regulations, established as necessary guards against fraud, and for the protection of the community:

"(1) Fragments of a note will not be redeemed unless it shall be clearly evident that they constitute one half or more of one original note, in which case, notes, however mutilated, will be redeemed in proportion to the whole note, reckoning by fifths.

"(2) Mutilations less than one tenth will be disregarded, unless fraudulent; but any mutilation which destroys more than one-tenth the original note, will reduce the redemption value of the note by one fifth its face value.

"(3) Mutilated notes presented for redemption, must be in sums not less than three dollars of the original full face value."

Exchanges were made in United States notes and additional Postage Currency, which the Treasury continued to pay out until May 27. By then nearly \$20 million was outstanding.

What officials used to pay out odd sums after that date before the Fractional Currency notes were ready that fall is open to speculation. What can be stated emphatically, however, is that *anybody* exchanging Postage Currency for United States notes or Fractional Currency in the fall of 1863 lost a good deal of money (more than 30 percent) on their differences in value.

That may just be an academic point, today. Having been hard pressed on many sides, the Cincinnatians who queued up to exchange their Postage Currency may not have cared. The panic of the year before may have largely faded from their memories. Given the fickleness of public opinion, they may have been even eager to be finally rid of the star-crossed notes they had once wanted so desperately.

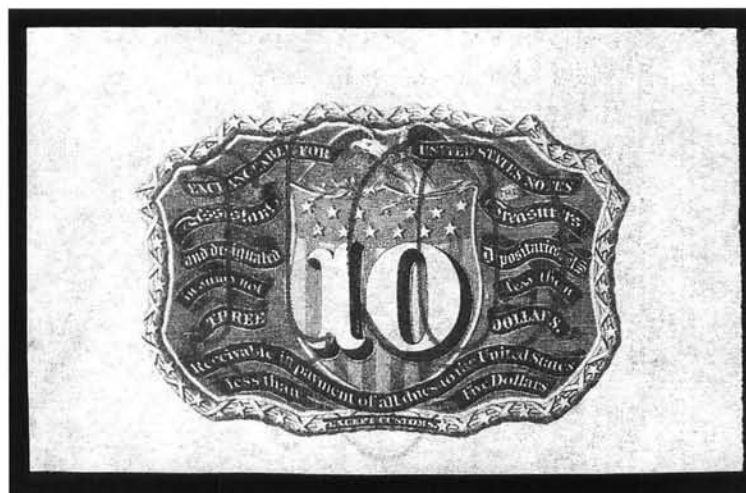
One thing is for sure though, the small change riot of Cincinnati is a unique story not known by many, but well worth the retelling. It was such a riveting story that when the U.S. Postal Service compiled its Bicentennial History for Cincinnati, the government sought and received permission to publish an adaptation of this article in their official history book.

Acknowledgements

I would like to dedicate this article to my fellow Fractional Currency collectors who belong to the Fractional Currency Collectors Board. I am proud to be member #55 of that group. FCCB members are among the most avid of hobbyists. As specialists, we delight in the minutia of our chosen syngraphic interests. Members also make exceptional opportunities to leaven their extremely competitive pursuits with that special camaraderie of shared fellowship.

Among their number, I would like to thank John and Nancy Wilson, Kevin Foley, Martin Delger, Wally Lee, Milt Friedberg, Len Glazer, Martin Gengerke, Wayne Homren, Tom Denly, Benny Bolin and Yancey Green for past services rendered. I would also like to thank the late Matt Rothert, Jeff Williams and the late Herb Melnick for the opportunities to expand my own Fractional Currency horizons. The American Numismatic Association is to be commended for helping to promote my research by awarding me a substantial grant years ago. Several others have also contributed to this article in various ways. They include Wendell Wolka, the late Ernie Keusch, Robert Kincaid, and Hank Spangenberg. Thank you all. ❖

Fractional Currency was "Receivable in payment of all dues to the United States less than Five Dollars EXCEPT CUSTOMS." By altering the payment clause of the notes, Congress rectified a defect in the Postage Currency when the new Fractional notes were authorized as can be seen on this marvelous wide margin Specimen note.



Don't forget to mail in your dues. We have outstanding National Bank Note and Obsolete Note articles coming up. We're adding COLOR inside, too!

Fractional Currency Literature

By Benny Bolin

FRACTIONAL CURRENCY WAS PRINTED IN FIVE issues between 1862 and 1876. During those 15 years, 369 million dollars of fractional was printed. After redemption, there is an estimated 1.8 million dollars, or 1/10th of one percent still extant.

The phrase "buy the book before the note," is especially important in lesser known collecting areas, like Fractional Currency. Fractional Currency has few experts to rely on, so it is important that the collector/researcher find adequate references to work from. However, only eight references have been written with a major portion dedicated to Fractional Currency, so the collector/researcher has to rely on other types of literature to find the information needed. Besides reference books, auction catalogs, dealer fixed price lists, original articles and historical books/biographies must be used.

Reference books

United States Paper Money; A Reference List Of Paper Money, including Fractional Currency issued since 1861 by George H. Blake 1908. One of the earliest reference books on paper money, this book had a large section on Fractional Currency. It starts with a nice history of fractional and has descriptive information on all five issues. It also includes a chart showing up-to-date redemption and outstanding amounts.

Fractional Currency of the United States by Daniel Webster Valentine, 1924, was the first comprehensive reference on Fractional Currency and was based on F.C.C. Boyd's extensive collection. The idea for the work was born in 1913 at the New York Numismatic Club. A committee was appointed to "revise and arrange a list as complete as in their power."

Valentine was appointed chairman and his committee members included David Proskey, George H. Blake and Boyd. Most of the work was

able, so he wrote his own. Schultz wanted a simpler, yet more complete work than existed at the time. He desired a "reference book that would positively identify every type and variety in a brief, clear and orderly manner, without any confusing and unnecessary details." The compiler actually did two editions of his reference, but the only difference between the two is that the latter edition has information about the third issue Grant/Sherman essay.

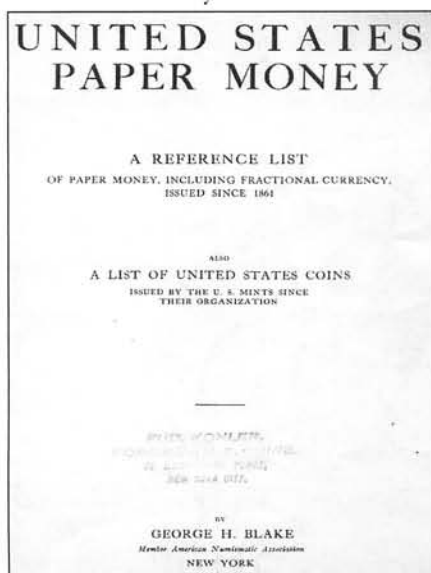
United States Postage Currency and Fractional Currency and Classified List of U.S. Postage and Fractional Currency by Dr. Frank A. Limpert. Dr. Limpert, a retired dentist, wrote his first book in 1946 with an eye to the historical details of the men pictured on the notes. He was very interested in the history of the notes and with sharing this historical information with others. His supplement, *The Checklist*, published in 1947 provided less historical information on the notes, but did detail them and had prices listed.

United States Postage & Fractional Currency by Art Christoph and Chet Krause, 1958. This oversized book on Fractional and Postage Currency is actually a reprint from a *Numismatic News* article on the subject by Christoph and Krause. Published in 1958, the book shows the notes in large size with great detail as well as individual placement of notes on sheets.

A Guide Book of United States Fractional Currency by Matt Rothert, 1963. Matt Rothert's book incorporates much of the same information as previous references as far as the history of the series goes, but it gave up to date valuations and included new finds and variations not outlined in other references. Although very simple in approach, it was a major breakthrough in the hobby and was the major reference until 1978.

The Encyclopedia of United States Fractional & Postal Currency by Milton R. Friedberg; edited by Martin Gengerke. 1978. In 1978, Milt Friedberg (no relation to Robert Friedberg) published his massive *Encyclopedia*. It is the most in-depth reference of Fractional Currency ever published and stands that way today. Besides the history of the notes, Milt also includes ALL varieties, including errors, paper and ink variations, courtesy autographs, specimens, proofs and experimentals.

Milt began collecting Fractional Currency in the 1960s working with Lester Merkin. As his own collection grew, he began keeping notes about every note known in the references on individual



done by Valentine. The book remained the standard reference for Fractional Currency for almost 40 years. Valentine's is a very extensive reference, divided into two volumes (contained in the same binding). The first volume outlines the history and descriptions of the issues. The second volume is the actual catalog of the types and varieties and assigns them a Valentine number. The book was published in hardbound and softbound copies.

Schultz's Checking List of Fractional Currency by Walter F. Schultz, 1935. This reference, published by Walter Schultz of Dallas, TX is thought by many to be the rarest Fractional Currency reference. He was not satisfied with any book avail-

Milton R. Friedberg...

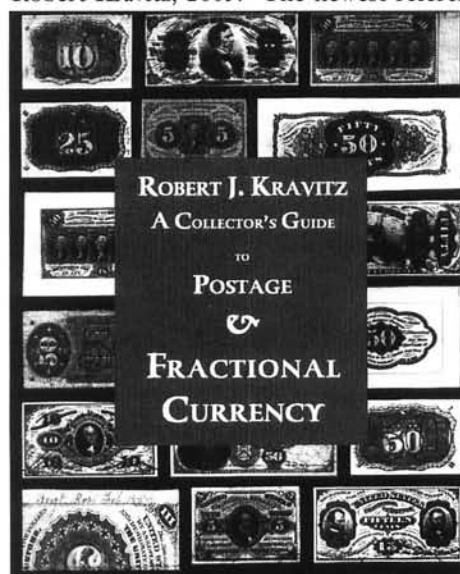
The Encyclopedia of
United States
Fractional
& Postal
Currency



loose leaf notebook pages and added to them as he found more information. When he found an unlisted note, he would make a new page. These eventually filled over ten three-inch binders and were the basis for the encyclopedia.

These original binders with information pages exist today in the authors' library and are a wealth of information. The encyclopedia was published in softcover, hardcover and a limited edition (50) interleaved blue cover book. Milt gave the Fractional Currency collectors club permission to continue to update his encyclopedia and make it available to new members. A short time ago, Milt, in collaboration with a few members of the FCCB did a supplemental "Simplified Edition" aimed at new collectors. Both of these works are still part of the new member packet of the FCCB. Sadly, due to a stroke a few years ago, Milt is unable to attend shows and conventions and is missed by all who knew him.

A Collector's Guide to Postage & Fractional Currency by Robert Kravitz, 2003. The newest reference on Fractional



Currency was written by long-time dealer, Robert Kravitz. His hope was to have an up-to-date book that is as easily read as Rothert's, goes beyond the basics of Robert Friedberg's but is less complex than Milt Friedberg's encyclopedia. Kravitz catalogs all the

notes using the three major cataloging systems, Milton #s, Robert Friedberg #s and Krause-Lemke #s. He employs an easy to use and understand rarity system and goes into much depth, not only in the history of the series, the times and the men on the notes, but also on the actual notes themselves as to variations, size, etc.

Articles

Due to the relatively small number of reference books, information on Fractional Currency must be supplemented elsewhere. One of the most important sources of information is original articles that are published after in-depth research on a subject. One of the earliest articles of this type written on Fractional Currency was by Thomas Cunningham of Mohawk, NY, and a close personal friend of F. E. Spinner. He was one of the earliest collectors of Fractional Currency, getting many of his notes directly from Spinner. His article was published in the *American Journal of Numismatics*, volume XXIV, #4 (1893). Cunningham makes a listing of all the known fractional notes at the time, and interestingly combines the fourth and fifth issues into one.

While there are many venues to find these articles, the journal of the Society of Paper Money Collectors *Paper Money* has long been one of the most popular choices. Since its inception in 1962, our journal has published many important and ground-breaking works on Fractional Currency. This

culminated in January 2003 when the journal had an entire special issue devoted to Fractional Currency. Other places to find original articles are in the numismatic press, most notably *Bank Note Reporter*, *Coin World* and *Numismatic News*. Club publications such as *The Numismatist*, *The Rag-Picker* and the *Fractional Currency Collector's Board Newsletter* also at times yield original articles.

Fixed Price Lists

Fixed price lists were printed by dealers showing their available inventory of notes. Researchers and collectors use these to not only identify various notes and varieties, but also to pedigree notes and follow them for years. The rarest fixed price list in Fractional Currency is the Frossard list which had all the notes from Spencer Morton Clark's collection in it. Special List #8--October 1, 1893. Unique Collection of

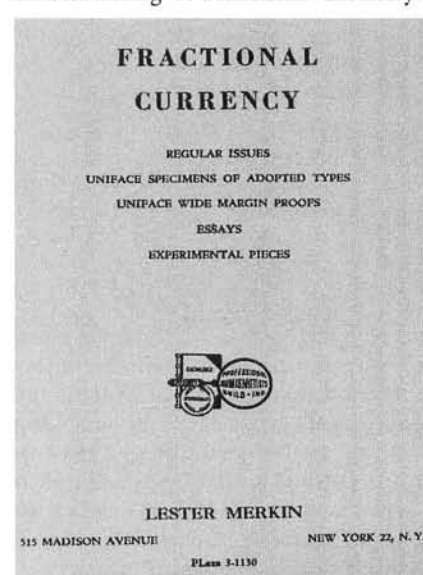
Essays & Proofs of U. S. Fractional Currency sold by Ed. Frossard a New York dealer. "This unique collection of essays and proofs of U.S. Fractional Currency was formed by the late Mr. S.M. Clark of the Bureau of Engraving and Printing, U. S. Treasury, Washington, D.C." It listed 70 pieces, most

SPECIAL LIST No. 8.		OCT. 1, 1893.
Unique Collection of Essays & Proofs of United States Fractional Currency.		
FOR SALE AT MARKET PRICES		
ED. FROSSARD, NUMISMATIST AND ARCHAEOLOGIST,		
108 East 14th St., New York;		
or		
221 Lexington Avenue, Brooklyn, N. Y.		
<p>NOTE: Every parcel sent post paid on receipt of remittance. To prevent errors, check off numbers wanted and return list with order.</p> <p>This unique Collection of Essays and Proofs of U. S. Fractional Currency was formed by the late Mr. S. M. Clark, chief of the Bureau of Engraving and Printing, U. S. Treasury, Washington, D. C. After Mr. Clark's death, the Collection was purchased from Mrs. Clark by a private collector, who recently placed it in my hands to be listed, and offered to collectors at marked prices. By order of the Secretary of the Treasury Foster each note has been lightly punched at ends and marked structures, and it is in this shape only that these notes can lawfully be sold to collectors. It may be added that all are first impressions, printed in deep, strong colors, mostly on thick, coarse paper, differing from those used for the regular issues, and that no other Collection of this class exists. A star at end of line indicates that the specimen is unique so far as this collection is concerned; the price is for piece or lot in each number.</p>		
1	\$30, 15, Coupons of U. S. bonds, brown and blue, blank revs. on card paper..... (2)	1.00
U. S. FRACTIONAL CURRENCY, SECOND ISSUE.		
Obverse only, without gold rev.; rev., blank.		
2	50c. Trial proofs thin paper, wide margins..... (1)	75
3	50c. Space to right for "50" and word "FIFTY" to left, blank. First proof..... (1)	3.00
4	50c. Same. Large gold letters over face..... (1)	2.00
5	50c. All spaces for value blank, large 60 & MARCH 31 1893 beneath in gold..... (1)	5.00
6	50c. Same as last, but all values inserted..... (1)	3.00
7	50c. Main, fine fibre paper..... (1)	60
8	50c. Same, fine fibre membrane fibre paper..... (1)	60
9	50c. Impression before cleaning plate, Dec. 7, 1893. Heavy membrane fibre paper..... (1)	80
10	50c. Large gold oval, blank field. Rev., examine, large 50 in gold, T-1-18-93 in corners..... (1)	4.00
11	50c. Same as last, but 50 on rev. reversed, T-2-18-93 in corners..... (1)	4.00

unique, from the personal collection of Spencer Morton Clark. After Clark's death, a collector bought the collection from his wife and eventually gave it over to Frossard for sale. All notes listed are marked on the back in gold/bronze ink with the corresponding number on the list.

Scott's Coin and Stamp had one of the earliest, if not the earliest listing of Fractional Currency. Interestingly, it was

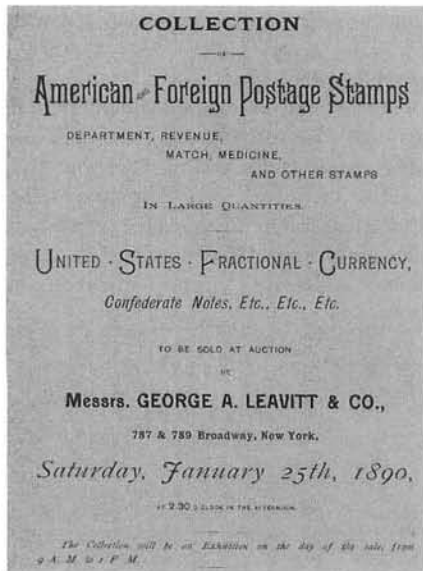
first published in 1879, less than three years after production of Fractional Currency ceased. B. Max Mehl had many auctions and lists with Fractional Currency in them as did Hesslein, Bluestone, Donlon, Raymond, et al. The green list was printed by Lester Merkin in 1963. It is his list #4 and is primari-



ly the listing of the Calfield Collection of fractional which he was selling. Len and Jean Glazer formed Fractional Currency, Inc. and issued many price lists and auction catalogs that are now standard references to the hobby.

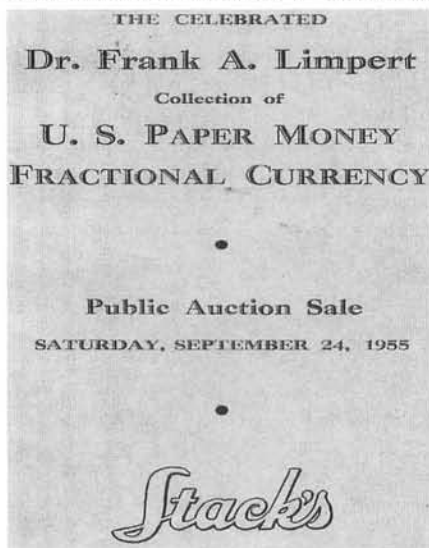
Auction Catalogs

All of the major auction houses included some lots of Fractional Currency in their sales even while fractional was still being printed as evidenced by the Bangs auction of 1869. At the time of the sale, the third issue of fractional was still being printed. The auction included one lot of "Postage Currency—All



Different." These early catalogs are utilized by collectors and researchers for variety identification and note pedigrees. The Monroe J. Friedman auction conducted in 1903 by S.H. and Henry Chapman was touted as "the finest series ever offered at auction." It had many important notes, including 158 regular issue notes, 67 sheets and/or multiples and 54 experimentals. Many of the sheets are the fourth issue sheets that were in the John J. Ford, Jr., collection that was recently sold by Stack's. Many other of the notes have not been seen since this auction and are not listed in the Friedberg Encyclopedia.

Some auction sales were the collections of authors of Fractional Currency references. Stack's sold the Dr. Frank Limpert collection in 1955. American Auction Association sold Matt Rother's collection in 1973. One of the most sought after catalogs of the time is Abe Kosoff's catalog of the ANA sale of 1958. This sale contained the Maurice Burgett collection of Fractional Currency. However, the original auction catalog did not contain any photographs of the notes. Kosoff corrected this by publishing a well illustrated supplemental catalog of just the Burgett collection. It was published on October 1, 1958, and dedicated to F.C.C. Boyd who had passed away just three weeks earlier, on September 7, 1958. It has a vignette of Samuel Dexter and is covered in a very distinctive "crackled, onion skin" paper.



A new auction house entered into the fray during this time, Pine Tree Auctions which became NASCA and is now R.M. Smythe. They have sold and continued to sell many important Fractional Currency notes and collections, including the Rocky Rockholt collection in September 1981.

Len Glazer, Allen Mincho and Kevin Foley formed Currency Auctions of America (CAA) in 1990 and had their



first sale at the St. Louis Paper Money show November 9 & 10 of that year. Since that time, they have produced over 40 auctions, including the fabulous Milton Friedberg collection and the only two complete collections of regular issue notes, the Martin Gengerke collection in

February 1995 and the Tom O'Mara collection in May 2005. They have also auctioned many other notable collections, including the Marchioni, Leichty, Lee and Hoffman collections. Their auction catalogs are very valuable references, not only for the breadth and depth of the notes, but for the way they are presented, with many historical details, pedigrees and information on the individual varieties.

Other Books

During academic research projects or other endeavors, many modern books have been written about some of the men depicted on Fractional Currency. These are important as well, not only for the information about the men, but also information about the times and especially the economic events and climate. In order for researchers to fully understand the events related to Fractional Currency, a study of the people important in the series is also necessary.

Stanton: The Life and Times of Lincoln's Secretary of War was written in 1962 by Benjamin P. Thomas and finished by Harold M. Hyman upon Thomas' death, published by Alfred A. Knopf of New York. The book records the life of Edwin McMasters Stanton, one of the most controversial figures in American politics. As Secretary of War, he marshaled the Union troops during the Civil War and afterwards played a very prominent role in the impeachment process of President Andrew Johnson.

Inside Lincoln's Cabinet: The Civil War Diaries of Salmon P. Chase was published in 1954 by Longmans, Green & Co. It seems that not long after Chase's death, his actual diaries were scattered and this book is an attempt by editor David Donald to present them in full form once again. The book provides much insight to the political and economical climate and events of the time.

The Life and Public Services of William Pitt Fessenden was a two volume book, contained in one cover, written by his son, Francis. It was published by Houghton, Mifflin and Company of New York in November 1907. The work covers



presents

Fractional Currency

See our ad on
the back page

First Issue

Fr. 1229 5¢ PCGS CU61 Perforated edges with no monogram on back, excellent eye appeal for the grade.....\$550

Fr. 1230 5¢ PCGS CU63 Straight edges with ABC monogram accompanying full back margins, a very nice note.....\$395



Fr. 1230 5¢ PCGS CU64 Premium paper quality. A nicer note than the one listed above with excellent margins all around.....\$450

Fr. 1241 10¢ PCGS CU63 Premium paper quality. Perforated margins with no monogram on back, vivid design and color.....\$795

Second Issue

Fr. 1232 5¢ PCGS CU61 A nearly flawless note except for tight right margin, excellent bronze overprint.....\$225

Fr. 1245 10¢ PCGS CU63 Surcharge "18-63" on the back of this uncirculated example.....\$325

Fr. 1246 10¢ PCGS XF40 Surcharge "S-18-63" on back of this hard to find note.....\$125

Fr. 1246 10¢ PCGS CU61 Same as the example above except in an uncirculated holder, sure to sell fast at.....\$145

Fr. 1246 10¢ PCGS CU64 Premium paper quality and the best of these three notes. Fantastic eye appeal and fullness of color especially in the bronze overprint, priced well at.....\$395



Fr. 1247 10¢ PCGS CU66 Surcharge "1-18-63" on back of note that has it all. Bright white paper, color, detail, eye appeal, grade and margins are all extraordinary on this very scarce note.....\$1,400

Fr. 1284 25¢ PCGS CU66 Premium paper quality with surcharge "18-63" on back. This is an incredible note! Superior color especially on the back, broad margins all around on this rare and colorful note.....\$1,400

Fr. 1322 50¢ PCGS VF35 Surcharge "T-1-18-63" on bright red back, printed on fiber paper with nice margins, scarce in any grade.....\$250

Third Issue

Fr. 1226 3¢ PCGS CU66 With light background to portrait and full even margins on the face. Incredible note with superb color especially on the back.....\$995

Fr. 1236 5¢ PCGS CU64 Premium paper quality with red back and nice margins. A scarce note especially in an uncirculated holder.....\$525

Fr. 1238 5¢ PCGS AU58 Premium paper quality with a dark green back. A very pleasing note.....\$200

Fr. 1238 5¢ PCGS CU63 Premium paper quality. An uncirculated example of the note listed above.....\$350

Fr. 1238 5¢ PCGS CU64 Premium paper quality. The nicest of the trio with broad margins and dark green back.....\$425

Fr. 1251 10¢ PCGS CU64 Premium paper quality. Red back with printed signatures of Colby and Spinner. Exceptional detail and vivid color especially on the back.....\$425

Fr. 1253 10¢ PCGS CU63 Premium paper quality. Bright red back with autographed signatures of Colby and Spinner, superb eye appeal, three broad margins and vivid bronze overlay on this scarce variety.....\$525



Fr. 1291 25¢ PCGS CU63 Exceptional eye appeal on bright white paper. The red back is intense and vivid on this scarce note.....\$395

Fr. 1292 25¢ PCGS CU64 Premium paper quality. Red back with position indicator "A" on the front of this scarce note. Outstanding eye appeal.....\$525

Fr. 1295 25¢ PCGS CU63 Premium paper quality. Green back with position indicator "A" on the front. Bronze overlay is bright and reflective coupled with fantastic embossing on the back.....\$325

Fr. 1297 25¢ PCGS CU62 Green back with Surcharge "M-2-6-5" on fiber paper. A pleasing note on this very scarce variety.....\$595



Fr. 1328 50¢ PCGS CU63 Dark red back with autographed signatures of Colby and Spinner. Nice margins all around with Colby vanity signature.....\$750

Fourth Issue

Fr. 1261 10¢ CU64 Small red seal on watermark paper with violet silk fibers and a blue front right side. Excellent margins, vivid color, and exceptional eye appeal. A real winner.....\$350

Fr. 1267 15¢ PCGS XF40 Large red seal on watermarked paper with pink silk fibers. A great looking scarce note with four broad margins.....\$300

Fr. 1267 15¢ PCGS CU65 Premium paper quality. Same note as above but in a Gem holder and a remarkably darker red seal. For those who want this scarce Gem type note.....\$700

Fr. 1271 15¢ PCGS VF35 Small red seal with violet fibers and blue front right side on this pleasing yet popular note.....\$175

Fr. 1271 15¢ PCGS CU61 Similar to the above note, except uncirculated with broad margins all around.....\$325

Fr. 1307 25¢ PCGS CU64 Very choice note. Small red seal on watermarked paper with blue front right side. Exceptional detail and color on front with a dark green back on bright paper.....\$475



Fr. 1379 50¢ PCGS CU64 Green seal on paper with light violet fibers and blue front right side. Broad margins on all sides with great detail and an unusually high amount of fibers visible on the back.....\$395

Fr. 1265 10¢ PCGS AU55 Red seal with long thin key, good margins and bright red seal.....\$110

Fr. 1265 10¢ PCGS CU64 Similar but a very choice Uncirculated specimen.....\$175

Fr. 1266 10¢ PCGS CU63 Dark red seal with short, thick key and vivid color and contrast.....\$145

Fifth Issue

Fr. 1308 25¢ PCGS CU63 Red seal with long, thin key with good detail and bright colors.....\$130

**As always, we will pay more than
anyone else for what we need.**



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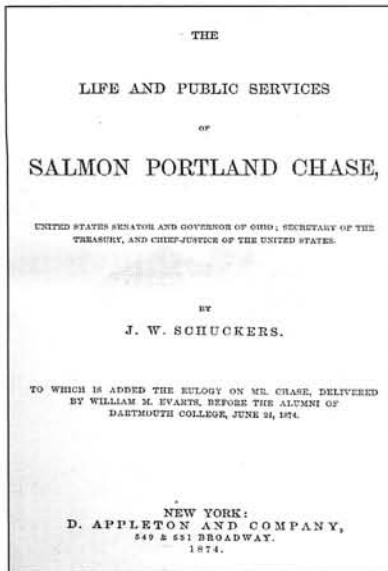


Meredith J. Hilton
Currency

Fessenden's life from his birth to his service as Senator from Maine and Secretary of the Treasury to his last years.

The Life and Public Services of Samuel Portland Chase was written by J.W. Schuckers, and published by D. Appleton and Company of New York in 1874. As with most of these books, it covers his life from start to end and concentrates on his government service as Supreme Court Chief Justice and Secretary of the Treasury. The original is apparently rare, with only the author's copy known to him. Fortunately, for researchers the book was republished in the 1970s making it readily available.

Other types of references that collectors and researchers can use include Memorial books and the *Laban Heath*



Counterfeit Detectors. Memorial books were printed by the government to eulogize prominent officials' deaths. Those involved in Fractional Currency history that have memorial books are President Lincoln, William P. Fessenden, General Grant, General Sherman, F.E. Spinner and President Garfield. Heath counterfeit detectors come in many sizes and some have plates of coun-

terfeit and real Fractional Currency.

Baker Book

During the early years of Fractional Currency production, Spencer Morton Clark, became the first superintendent of the National Currency Bureau (later, the BEP). He was a very important man to fractional since he brought the printing into the hands of the government, devised many anti-counterfeiting ideas, and advanced the nation's security printing to new levels. Along the way, he made many powerful enemies. Banknote companies were angry that he was trying to take away their business. From that day forth, they tried many things to sully Clark's reputation and get him removed from his position.

One of their main actions focused on the workforce at the bureau. Due to the Civil War and the resultant shortage of male workers, Clark employed a large force of women. The rumors became extreme that Clark had made the bureau into a very large brothel. It was said that women were hired based on their looks and in return for sexual favors. Secretary of the Treasury, Chase, asked the Department of War to have an investigator look into these allegations.

Lafayette C. Baker, who is credited with founding the Secret Service, was appointed. Baker went about the investigation gung-ho and made allegations that led to the suspension of Clark and the arrest of Stuart Gwynn, who was responsible for developing many of the paper types and anti-counterfeiting ideas. When Baker was asked for his proof, he manufactured tawdry tales, lies and relied on paid witnesses and prostitutes. A special Congressional committee was assembled to hear the charges, chaired by future President James Garfield. Eventually Clark and Gwynn were exonerated.

This entire episode in Fractional Currency makes fascinating reading. It reads like a modern day soap opera. Baker presented an Official Report to the committee in June 1864. In it he states that "his [Gwynn's] criminality consists in his willfully and wickedly defrauding the government of the United States in this: That while representing to the

Secretary of the Treasury his ability to improve the Fractional Currency of the country, he has been pursuing a course of experiments involving the outlay of enormous sums of money, bringing disgrace upon the Treasury Department by his abortive attempts at postal currency in the prosecution of an untried scheme or idea which he never before had the means to develop."

Regarding Clark, he wrote "these affidavits disclose a mass of immorality and profligacy, the most atrocious as these women were employees of Clark, hired and paid by him, with the public money. These women seem to have been selected in the Printing Bureau for their youth and personal attractions. Neither the laws of God nor of man have been respected by Clark in his conduct with these women."

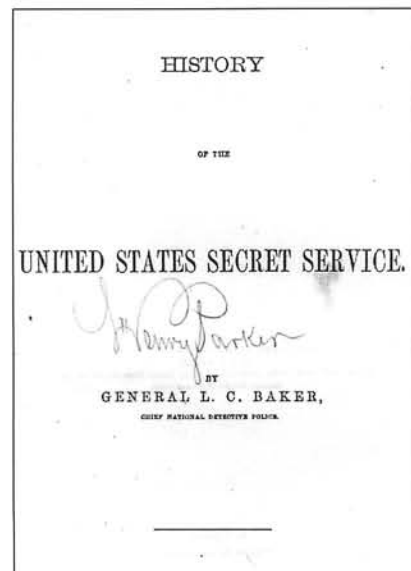
The Garfield committee found the evidence lacking, the allegations untrue, and formally acquitted both Gwynn and Clark. After the decision, Baker wrote in his book "when it was discovered that I would not bend to party dictation and shield the guilty, my official acts and labors were not only ignored, but an attempt was made to brand me a conspirator. I was the target of unjust and cruel censure."

Baker wrote his own account of his founding of the U.S. Secret Service, the *History of the United States Secret Service*. His original book was published in 1867, with 46 chapters and 704 pages. Baker devoted four chapters to the great Treasury conspiracy and investigation. This book is fairly rare and prized by collectors.

Interestingly, a second printing of the book was done in 1894. This edition is only 398 pages in length with only 28 chapters. Notably missing are the chapters on the treasury scandal. The author has found a total of five different printings of this book, including one soft cover.

Jacob Mogelev's book *Death to Traitors*, reports the truth of what happened in this scandal and how Baker concocted his stories and manufactured his witnesses. These books and the Garfield committee report and the Baker report make fascinating reading.

While the above is nowhere near a complete compendium of all the references available to collectors who desire more information on Fractional Currency, it does show that in order to get to the true heart of the subject, one must use resources other than straight reference books and improvise to find the knowledge. ❖



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FC shields fought counterfeits

FRACTIONAL CURRENCY SHIELDS DISPLAY 39 specimens of the first three issues of notes and the Grant-Sherman essay. They were prepared by the Treasury Department from June 1866 to May 1869 as a counterfeit deterrent to enable money handlers to compare suspect notes directly with legitimate ones.

They are called "shields" because of the cardboard backing with a printed shield shape topped by an Eagle. Originally shields were printed with green or pink backgrounds. Later issues were printed with gray shields. The later are the most prevalent.

Among the first appearances of a Fractional Currency Shield in numismatics was an offering by Philadelphia dealer Ebenezer Locke Mason, Jr., in *Mason's Coin and Stamp Collectors' Magazine*, January 1868, where they were offered for \$6 each with the comment that they had just been released. Mason was early in the numismatic game, and in 1860 (in *Boyd's Directory*) was listed at 453 North 2nd Street, "Coins bought, sold, and exchanged."

In the 1870s, Mason was among several dealers who

actively bought, sold, and traded Fractional Currency notes and, occasionally, the shields. Confederate States of America notes were also a stock in trade. However, federal notes such as Legal Tender issues commanded virtually no numismatic attention or interest.

In the 1870s, J.W. Scott & Co. was among the more active dealers in Fractional Currency, perhaps because the firm was best known for trading in stamps, and Fractional Currency notes were often collected by philatelists. The Noel Gray Collection, catalogued by David U. Proskey and auctioned by J.W. Scott on October 27-28, 1879, included a Fractional Currency Shield, among the earlier examples to cross the auction block.

In the same year, Proskey was especially busy helping Scott sell the 500 restrikes he (Scott) had made of the 1861 Confederate States of America half dollar; later, Proskey would report that the marketing program as it appeared in print was strewn with numerous red herrings.

On December 18, 1881, the Hawaiian Collection—same cataloguer, same auction firm—included a Fractional Currency Shield. It could have been that Scott had a small stock of these and featured them from time to time in auctions.

As might be expected, in modern times just about any numismatist interested in 19th-century numismatics has included the Fractional Currency Shield on his or her "must have" list. Albert A. Grinnell's example with a pink background was sold in Part VI of his collection, by



Barney Bluestone in June 1946.

Among numismatic items, the Fractional Currency Shield is no doubt the most "displayable" in its original form. Indeed, these are one of only a few such items originally intended for this purpose. ♦

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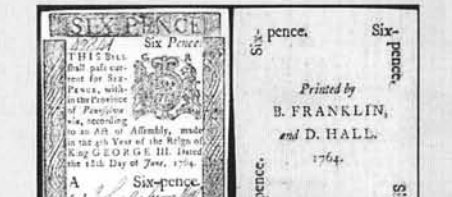
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U.S. FRACTIONAL NOTE



A Discussion By William Brandimore

Background:

WITH THE ONSET OF THE CIVIL WAR IN 1861, THE uncertainty of a wartime economy led to widespread hoarding of gold and silver. Since our U.S. money was specie -- gold and silver -- with some copper nickel cents thrown in for good measure, this led to almost immediate mercantile and trade difficulty. Early efforts to cope with the problem involved numerous private issues of tokens and even the use of stamps for small change. The actual stamps themselves, although issued in convenient denominations, soon became unfit for use due to soiling, sticking together, etc. Postal authorities didn't think much of the idea either. This shortage would quickly lead to the use of paper currency in both the North and the South beginning with the beautiful "Montgomery" issue of Confederate notes (the plates were engraved in New York City) and the Union Demand Notes of 1861. This did nothing for day-to-day small change needs, however, so General Francis E. Spinner, Treasurer of the United States, had prepared, "Fractional" or "Postage Currency" as it was first designated.

The First Issue Notes

Notes were first printed in 1862 in 5-, 10-, 25- and 50-cent denominations. The 5-cent note carried a likeness of Thomas Jefferson, as engraved on the 5-cent postage stamp of the 1861 General Issue. This was printed on brown paper. The 10-cent note illustrated George Washington, as depicted on the 10-cent stamp of the 1861 General Issue. It was printed in Green with Black ink on white paper. The 25-cent note carried five "stamps" of Jefferson and the 50-cent denomination featured five "stamps" of Washington (see the article by Fred Reed). As mentioned, and perhaps because the issue utilized postage stamps, it was designated "Postage Currency." Succeeding issues would not carry that title. Initially, the faces and backs of the notes were printed by the National Bank Note Company. To heighten security, however, the American Bank Note company was contracted to print the backs. With two companies it was felt there was less chance for misuse of their access to the currency. The later notes carry a monogram, "ABCO" on the lower right hand corner of the back of the note. Early printings by the National Bank Note Company only do not carry these initials. The notes were printed in perforated and un-perforated sheets. Un-perforated examples are more common than perforated, as are notes with monograms.

Given these various combinations one might assume that there are 16 notes to collect in the series: 5-, 10-, 25- and 50-cent notes in perforated and

un-perforated and with and without monograms. This is close. There are 17 distinct notes (not counting paper shades). There is a 50-cent perforated note (Friedberg # 1310a) with 14 perforations per 20 millimeters instead of 12. This note first came to light about 1890, when dealer Harlan P. Smith offered it for sale. There is a great deal of circumstantial evidence that Mr. Smith manufactured this note himself from several non-perforated sheets he was known to have had in his possession. The notes have been around so long, however, and with such well documented pedigrees that they still have enormous appeal to some collectors. They have brought, recently, from \$2,000 to \$6,000. The straight (un-perforated) edge 5- and 10-cent notes in particular, can be purchased in Choice Uncirculated condition for under \$100, a bargain in today's market for a note that is 140 years old and a relic from our Civil War era, to boot! Expect to pay considerably more for nice perforated examples and the 25- and 50-cent no monogram varieties.

The Second Issue notes

Counterfeiting of these paper notes, something that hadn't really been planned for led to the issuance of five different issues of this diminutive paper money, as the Treasury struggled to provide "small change" for the nation. The Second Issue features additional color and some quite detailed engraving of period transportation. All four denominations, 5-, 10-, 25- and 50-cent values display George Washington centered above a beehive-like harbor scene featuring the unloading of several steamships, while teamsters are in the process of loading or off-loading horse and wagon rigs with a steam locomotive in the background. Collectors strive to find these notes well centered and "bright" -- not an easy task. They are quite attractive when found "as new." They are quite unappealing when found well used. All these notes are gray on the face. The 5-cent note is a light brown on the back, the 10-cent green, the 25-cent violet/purple shades, while the 50-center features a carmine or red back. An eagle shield and banner device is surrounded by a larger shield and over-printed with a large denominational numeral outlined in bronze. Brightness adds desirability, an attractive gray on premium notes, a drab gray on those less favored.

These notes were printed between October 10, 1863, and February 23, 1867. An anti-counterfeiting device was included in this printing and helped create some of the many fascinating varieties that make fractional collecting so challenging! Washington is circled on the face of the note in a thick oval of bronze powder. In original condition this bronzing is quite bright, even, blazing! The oval was applied by sprinkling bronze powder on the printed sheets after sizing (glue) was "printed on the sheets." the excess was shaken or blown off and the remaining powder framed Washington in quite a dramatic fashion. In addition, the backs were overprinted in a similar manner, with a large numeral matching the denomination of the note. When the sheets were fed into the press incorrectly, inverted overprints occurred. They are quite obvious and noticeable. All the inverted overprints are quite scarce. On even rarer occasions, the wrong denomination or a mismatched back plate was utilized. These are very rare! In addition to the denomination, other "surcharges" also appear on the backs of the notes; such as "18-63" and a variety of alphabet letters. These letters identified the notes (apparently) for Treasury officials as the government was printing this issue entirely in-house and wanted to keep track of how the various papers and inks weathered circulation. There are no fewer than 20 different surcharge varieties for the four denominations, combined, in addition to the notes that had no surcharges beyond Washington's portrait and the large denomination numeral.

Another aspect of the testing that was going on involved attempts to print the notes "dry" rather than "wet." Printers knew that they could get a better impression with less pressure if the paper was wet. This, however, involved the process of drying the notes between the various printing steps. This took a long



time and a War was on. Working with a chemist, Dr. Gwynn, efforts were made to utilize the "fiber" or membrane paper that he had developed. It was possible to print this paper "dry." With the dry process, however, the backs and faces needed to be printed as separate sheets and glued together on completion. It didn't work particularly well. The presses needed to bring too much pressure to bear and broke down frequently. The experiment did, however, provide some fascinating "fiber paper varieties" for collectors to pursue down to the present day. Jealousy and politics were even more in evidence then than they are today. Dr. Gwynn was actually placed in prison at one time and a heavy cloud of concern was unfairly placed on Spencer Clark, the first Superintendent of the National Currency Bureau (forerunner to the BEP), as well. It all turned out all right in the end, but that is another story (see Benny Bolin's literature article).

The Third Issue Notes

The Third Issue of Fractional Currency was printed and issued between December 5, 1864, and August 16, 1869. If there were only one issue to collect, the third would be more than enough to excite our interest. This issue provides numerous rarities as well as many minor distinctions that allow the specialist to identify interesting and collectable varieties. There are six denominations, two basic types of paper, two major color variations, forbidden portraits, small and difficult to locate plate position letters, hand-signed notes, notes with engraved signatures on the plates and some with no signatures at all. Early stamp collectors were quite smitten with fractionals, and I suspect the Third Issue with its position letters and other variations was the major drawing card. We have the stamp collectors to thank for the fact that so many of these little notes were saved in high grades of preservation. The lowest denomination of the series was a 3-cent note produced in two varieties: one with a light background to Washington's portrait and the other with a dark background. Additional cross-hatching on the plate apparently produced the later and darker variety. The three-cent value was used only in the third series. It is quite popular with flea market enthusiasts as well as collectors. Frequently seen are multiples as the notes were often shipped to banks in sheets. Sheets are not rare, but not inexpensive either. This note is known inverted and is quite rare in that configuration. There is also a "no pearls" sub-variety that omits the engraving trim of pearls hanging from a small diamond at the bottom of the frilly trim below Washington's image.



The 5-cent note features the Superintendent of the National Currency Bureau (which would eventually become the Bureau of Engraving and Printing) Spencer Clark. Clark was a very conscientious public servant. He saved the tax payers considerable expense by convincing his superiors that the government could print the money in-house rather than allowing bank note companies to continue to do so. He outraged a lot of people, however, when he put his likeness on the third issue 5-cent note. So much so, that Congressional enactment was undertaken to forbid living people from being placed on our nation's currency thereafter engraved. This note comes with red and green backs. Red was apparently an earlier effort, possibly even trial in nature, as many seem to have been given as presentation pieces and subsequently saved. Thus we have quite a supply of 5-cent through 50-cent red backs. Clark notes had no hand signed varieties, as did the 10-, 15- and 50-cent values. They also come (some of them) with a position letter "a" about midway up the face of the left hand edge of the note. This identifies the notes as having been one of the left margin notes when the sheet was printed. The "a" notes frequently feature ink smears, as they were closest to the edge of the plate where that sort of thing could happen. The 5-centers also carried engraved signatures in only one combination, Colby/Spinner for the individuals serving as the Register of the Treasury and the Treasurer of the United States at the time. There are four 5-



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cent varieties; green back and red back, with and without plate position letter "a". They are known inverted and quite scarce. Multiples are also quite rare.

Ten-cent notes also come with red and green backs, plus a position letter "1" in about the same location on the sheet as the Clark "a" letters. They denote the same thing, a left hand margin note. They also come with beautiful bronze surcharges front and back. These surcharges are especially bold on 10-cent notes. On the face of the note are, depending on the state of preservation and the level of oxidation, brilliant bronze or gold colored "10"s. On the back of the note is the outline of a large bronze "10." These bronze surcharges were printed on the note by applying sizing (glue in the shape of the desired outline), then dispensing powdered bronze, and shaking off the non-adhering residue. This treatment provides a breathtaking appearance on Gem notes. These notes also carry both engraved and autograph signatures. The engraved signatures are those of Colby/Spinner and the hand-signed notes come in two varieties, Colby/Spinner and the later combination of Jeffries/Spinner. The Jeffries/Spinner combination is quite a bit scarcer, but the price differential is not extreme. There are seven varieties of 10-cent notes: green and red back, with a "1" position letter for engraved signature types and without. None of the hand signed notes have sheet position letters in any of the denominations, thus two varieties of hand-signed and TWO known examples of hand-signed Colby/Spinner notes on Green paper. ALL other Fractional Currency notes with autographs other than latter-day courtesy autographs have red backs.



Generals U. S. Grant and W. T. Sherman grace a 15-cent denomination for the Third Issue that was never issued because of the prohibition following Spencer Clark's placement of his own likeness on the 5-cent note. These 15-centers were prepared in Specimen (uniface, narrow margins) and Proof (uniface wide margins). There are four varieties of this note: engraved signatures of Colby/Spinner and autographed signatures of Colby/Spinner, Jeffries/Spinner and Allison/Spinner. The engraved signature is matched with a green back and the hand-signed varieties are matched with red backs. Colby/Spinner autographs are quite scarce in narrow margin; most were removed from Pink Fractional Currency Shields (counterfeit detectors of the times, see Dave Bower's column). These notes are extremely popular with collectors and no type set is really complete without a pair.



Twenty-five-cent notes feature a portrait of William P. Fessenden, Senator from Maine and Lincoln's last Secretary of the Treasury. He was alive but the notes bearing Fessenden, Spinner and early likenesses of Lincoln on ten dollar bills, Chase and others were already circulating when the Clark 5-cent note appeared so they did not run afoul of the law prohibiting living person's likenesses on notes. There are no hand-signed Fessendens, but they still



manage to number 9 varieties. These include red and green backs, with and without "a" surcharges on the left margin position, at about 2:00 o'clock to the right of the small "25" in the lower left corner; a scarce green back variety with the "a" 6 mm to the right of where it should be; two green backs with and without the "a" on heavy fiber paper and two solid surcharge notes with and without the "a" also on heavy fiber paper. These notes have solid bronzing around the "25" on either side of the portrait, a bit smaller but solid rather than an outline. Census for the rare solid surcharge with "a" stands currently at 12 notes known.

The fifty-cent notes, however, are the ones that really make this series. They are difficult to locate fully margined and they have four varieties to each subset of notes. First, *Justice* notes are listed after the Spinner notes in the Friedberg catalog, but were printed first -- about 9,000,000, before they were counterfeited and Spinner's likeness was pressed into service. There are 32

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I am continuing a long-time study on currency issued by banks in New Hampshire, including state-chartered banks 1792-1865, and National Banks circa 1863-1935. Also I am studying colonial and provincial notes.

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With co-author David M. Sundman and in cooperation with a special scrip note project by Kevin Lafond, I am anticipating the production of a book-length study of the subject, containing basic information about currency, many illustrations including people, buildings, and other items beyond the notes themselves, and much other information which I hope will appeal to anyone interested in historical details. All of this, of course, is very fascinating to me!

Dave Bowers

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varieties, as follows: three autograph numbers (by numbers I refer to the Friedberg catalog which is really a must for paper money collectors since it helps identify varieties and has a great deal of valuable information). The three autographs are all of the Colby/Spinner signature combination. All have red backs. One is on regular paper without back surcharges; one is on regular paper with back surcharges "A-2-6-5" in the four corners. The third is on fiber paper



with back surcharges of "S-2-6-4". The only obvious explanation for the "64" and "65" differences seems to be the year of printing. Next are three groups of red reverses with engraved signatures. They all exhibit plate positioning (see the article by Mike Marchioni) information thus: printed in sheets of 12; the upper left hand corner notes have a "1" and an "a". The "1" is mid-note on the left, the "a" is below a bronzed "50" design figure on the left side of the note. The next two notes going across the top of the sheet have "a" only plate positions...in the same location as the preceding note. The three notes going down the left side of the sheet, below the corner note have only "1"s. The remaining six notes have no plate position letters at all. This plate position lettering system is used throughout the rest of the *Justice* notes and on the Spinner notes. Thus we have red back, no back surcharges, 4 varieties; red back, a-2-6-5 back surcharges, 4 varieties; red back S-2-6-4, fiber paper, very rare (these are the 1913 nickels of Fractional Currency), 4 varieties. Green back, no back surcharges, 4 varieties; green back a-2-6-5, compactly spaced, 4 varieties; green back, a-2-6-5, widely spaced, 4



varieties. Green back, a-2-6-5, fiber paper, 4 varieties; green back, S-2-64, 1 variety with no plate position letters, very rare. Inverts are known for red, green back and fiber paper notes. The Spinner notes account for 19 varieties: Red back, a-2-6-5, 4 notes; three autograph notes, Colby/Spinner no design figures, Colby/Spinner, Allison /Spinner and the rare Allison/New. Green back, no surcharges, 4 varieties; Green back, a-2-6-5, 4 varieties; Green back, type 2 design, 4 varieties. Inverts are known for type 1 and type 2 notes. The most difficult factor in collecting *Justice* design notes are the tiny margins. On sheets the notes were spaced 1/4 inch apart on the top and bottom and 1/8 inch on the sides. Thus a perfectly centered note has top and bottom margins of 1/8th of an inch-top and bottom and 1/16th of an inch on either side. Good margins seem to be much more prevalent with Spinner notes.

The Fourth Issue Notes

Fourth Issue notes were printed from July 14, 1869, through February 16, 1875. They were the first fractional notes to carry the Treasury Seal. All bear the engraved signatures of Register of the Treasury John Allison and Treasurer John C. New, who succeeded Francis Spinner as Treasurer. He served from June 30, 1875, through July 1, 1876. As a footnote to the third issue, the Rare F#1330, a 50-cent autograph Spinner note was signed by Allison and New, apparently some having been left blank and discovered after New took office, then subsequently signed by New and Allison. I have in my collection a 1330 that somehow got into circulation and acquired considerable wear and tear, grading no better than good, unlike all other survivors I have seen which generally grade Gem New or close to it. The Fourth Issue is comprised of only four denominations. With the issue of 3-cent and 5 cent nickel coins, fractional paper was only issued in denominations of 10-, 15-, 25- and 50-cents.



The ten-cent denomination features Liberty with four variations combining blue end paper/regular paper, with or without watermarks, and large and small seals. For a type set I recommend the F-1259 or F-1261 since they are quite stunning with the contrasting red seal and blue end paper. Be sure to

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find a well-centered note and you won't be disappointed.

Fifteen-cent notes, like the three-centers are quite popular with the flea market crowd and type collectors. They feature an engraving of *Columbia*, an Indian Princess that allegorically represented the Americas. She has a fancy headgear that appears to be an Eagle resting on her head, lots of feathers at any rate. Before France gave us the Statue of Liberty for a 100th birthday present, *Columbia* was seen as a popular symbol, like *Liberty*, of American freedom. She was frequently featured on Civil War era memorial statues and was utilized atop the Sailors and Soldiers Monument in downtown Detroit on a traffic island a bit south of Campus Martius! These too, come in regular and blue end paper, with and without watermarks, and with large and small seals. It is an attractive note in all varieties, with centering being the most difficult collecting objective. These notes seem to come with tight top or bottom margins much more frequently than the other denominations in the series.

The 25-cent note features George Washington and has the same four varieties, large seal/small seal, blue end paper/regular paper, and with and without watermarks.



Fifty-centers come in three types: a great engraving of Lincoln, Secretary of War Stanton, and Samuel Dexter who was a Secretary of War and Treasury Departments from 1800-1801. Because of the green seal on the Dexter note you will see occasional references to it in old catalogs as a 5th issue note. Among these notes Lincoln is the heavy-weight, frequently bringing \$800 or more for gem examples, while the Stantons and Dexters are much more affordable. The great thing about fractionals is that even some of the fairly rare numbers can be obtained economically in lower grades. Notes of the Fourth Issue were heavily used and large numbers survive. Along with the First and Fifth issues they seem to be the easiest and most affordable to collect.

The Fifth Issue Notes

Fifth Issue notes feature two real sourpusses. Sourpuss number 1 is William Meredith, a Secretary of the Treasury from 1849-1850. He is on the ten-cent note which comes with a green seal variety that is much scarcer than the two red seal varieties: long and short keys in the Treasury Seal. The green seal variety is very tough to find with Gem centering. The red seals can be found fairly easily with Gem centering (not at the \$8 I paid a number of years ago), but in the \$50 to \$75 range.



Robert J. Walker, Secretary of the Treasury between 1845 and 1849 is the second sourpuss, but a distant second sourpuss at that. Meredith was so sour that his portrait was the object of much contemporary and modern cartooning (check the 1997 FUN/Friedberg catalog for examples of the

Rogue's Gallery that was created from them). Walker appears on two varieties, long and short key.

The final fractional note of this, the final series (yes, but see page 59) is the Crawford fifty-center, listed as two varieties. One of these days the cataloger will probably drop the pink variety since it is really just an ink quality control matter. At any rate, Mr. Crawford, a Bob Hope look-alike, was an unsuccessful candidate for President of the United States and served as Secretary of War and the Treasurer from 1815-1825. This is one of my favorite notes. You can make a real connection with non-collectors by pointing out the Bob Hope factor, and perhaps he is a distant relative since he certainly looks like the actor/comedian. This note was saved in large numbers and is also an economical note to seek out for a type collection. I am told the last series became less popular with the public as coins became more readily available after the Civil War, and supposedly many were shipped West to pay military personnel.

This concludes my discussion of the five issues of Fractional Currency. Other examples of this specialty include Proofs, Specimens, Inverts, Uncut Sheets, Shields, in short, more fascinating facets of these notes that make them so appealing to collectors, me included.



COUNTERFEITING.

GREAT HAUL OF RASCALS.

Seizure of \$70,000 of Spurious Fractional Currency.

Capture of Dies, Plates, Presses, &c.

EIGHT PERSONS IN CUSTODY.

History of Their Operations.

For several months ingeniously executed fifty cent counterfeit notes, fractional currency, have been in circulation along the line of the Erie Railroad and in this City. So exactly did the bogus issue resemble the genuine, it had almost grown to be a custom not to refuse them in places where time in the matter of making change is a great consideration; and it was only at banking-houses and brokers' offices that they were detected and thrown out. This proving a great annoyance to our merchants and business men generally, the authorities at Washington were appealed to, and skillful detectives were employed to

Gleanings from My Fractional Currency Archive - 6,7 By Fred Reed

COUNTERFEIT POSTAGE CURRENCY.--There are counterfeit 50¢ notes of the new postage currency in circulation in our city, and as they are quite well executed, we desire to put the public on their guard against them. There are four distinct and easily noted marks by which they may be detected: First, the paper is thinner than the genuine; second, the five faces of Washington vary considerably from each other in the counterfeit, so much so that two or three of them, if standing alone, would hardly be taken to be portraits of Washington, while on the genuine they all closely resemble each other; third, the linked letters "U.S.," under the middle face of Washington, in the counterfeit, do not show the lower end of the "S.," inside of the leg of the "U.," while in the genuine they do -- this mark is easily seen; fourth, the border around the lettering and "50" on the back of the counterfeit is dark, and the lines are crowded, while in the genuine the border is open, with a line of light dots running through the middle all the way round. In the counterfeit this middle line is almost invisible, while in the genuine it is so distinct as to catch the eye at once. These marks will enable any one to detect the counterfeit.

-- *Cincinnati Daily Enquirer*, December 4, 1862 ❖

George W. Wait Memorial Research Prize Deadline Nears
March 15th

See November/December issue page 449 for Details

Missouri Union Military Scrip Portraits; Follow Up by Steve Whitfield

I WAS PLEASED TO SEE RON HORSTMAN'S NOTICE of discovery of the identified portrait of William S. Moseley, Missouri State Auditor, whose likeness was portrayed on the \$1 denomination of Union Military Scrip. Turns out that the Kansas State Historical Society was correct in this identification, back in 1886. Now if Ron can just turn up one of the \$50 denomination notes, we can try to identify whomever is on that note. I had hoped that the plate might surface in the ABNCo holdings but apparently no such luck. We'll keep looking.

SPMC member Fred Marchkoff wrote a series published in *The Numismatist* (September, November, and December issues of 1962) titled "Gallery of Civil War Generals." The articles reported results of his research in attempting to identify military (mostly General Officer) portraits on obsolete bank notes and scrip. He included several of the Missouri Union Military Bonds and Defence Warrants. He was baffled on the \$5 Defence Warrant and speculated that the subject was either Gen. Franz Siegel, or Gen. Grenville Dodge. While the portrait bears some resemblance to Gen. Siegel, there is none whatsoever to Gen. Dodge. I had concluded that the portrait was of Gen. Robert Allen and remain convinced of that identification.

Fred identified the portrait on the \$10 Defence Warrant as that of Gen. Isaac Fitzgerald Shepard. Gen. Shepard has the appropriate Missouri biography, and his portrait, available on the WWW, bears a considerable resemblance to the portrait on the Warrant. However; I maintain that the intended subject was Gen. Joe Bailey. Unfortunately Mr. Marchkoff did not include any research evidence to support his conclusions.

There is no disagreement on the \$20 and \$50 Warrant denominations. Gen. Pope and Governor Hall match their portraits just about perfectly. A bonus in the

articles was a portrait of Missouri Governor Thomas Fletcher; elected to succeed Willard Hall after Hall died.

Mr. Marchkoff also took a stab at portraits on a couple of the Missouri Union Military Bonds, including the \$1 and \$10 denominations. He missed the \$1 completely, offering up two candidates; Thomas Fletcher and Gen. Lew Wallace. The note portrait bears some resemblance to these two men but the subject on the \$1 has been positively identified as William S. Mosely by Ron Horstman's discovery of the labeled portrait from ABNCo. The mistake that Marchkoff made, along with many later writers, was in assuming that these bonds were intended to honor military men, Generals; when their real intent was to recognize politicians who had contributed to the Union cause. While some of them saw limited military service, their main contributions were political. The portrait on the \$10 bond was correctly identified as Frank Blair. The emphasis should have been on "Politician" Blair, rather than "General" Blair.

There are still questions about these notes that require more research discoveries. For example, does the enacting legislation that authorized the Defence Warrants and the Union Military Bonds still exist? And if so, does it identify the intended portraits? And who has seen one of the \$50 Union Military Bonds? We'll keep looking. ❖



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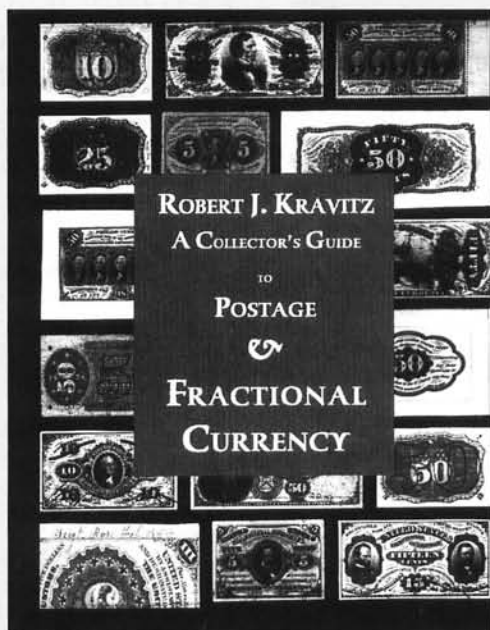
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On This Date in Paper Money History -- Jan. 2006

By Fred Reed ©

Jan. 1

1782, Bank of North America opens; 1856, Alleghany Furnace and Indiana Iron Works, PA issue scrip; 1879, "Greenback Era" in U.S. ends with restoration of gold standard; 1946, United States Savings Bond Division inaugurated;

Jan. 2

1637, Dutch tulip bulb mania reaches crescendo in Holland; 1889, La Banque Ville Marie notes signed by president, encased stamp issuer William Weir circulate; 1941, Aubrey Bebee opens Chicago coin store, commences as full time dealer;

Jan. 3

1878, BEP introduces Milligan Steam Printing Press; 1882, Senator Clement C. Clay, who appears on Confederate \$1 notes, dies; 1926, Treasury Secretary W. Michael Blumenthal born; 1983, Harry Clements tenure as BEP Director ends;

Jan. 4

1777, Continental Congress recommends States make bills of credit issued by Congress lawful tender; 1842, First issue of *Thompson's Bank Note Reporter*; 1864, Essayist John Burroughs becomes clerk at National Currency Bureau (BEP); 1954, BEP officials discover employee theft of \$160,000 in \$20 FRNs;

Jan. 5

1655, First colonial engraver of paper money John Coney born; 1892, Early paper money dealer W. Elliot Woodward dies; 1934, First delivery of Series 1933 \$10 SC;

Jan. 6

1759, George Washington marries Martha Dandridge Custis, both appear on FR 224-225; 1878, Lincoln poet Carl Sandburg, who said "money is the sum of blessings," born; 1929, Van Buren Studios releases animated film *Wooden Money*;

Jan. 7

1791, City of New Brunswick, NJ issues scrip for 1-, 2-, and 3-pence; 1900, Fred Smillie completes engraving of *Ta-to'-ka-in'-yan-ka* of the Oncpapa tribe for currency; 2005, PCGS announces grading service headed by Jason Bradford;

Jan. 8

1786, Nicholas Biddle, president of Second Bank of the U.S., born; 2000, Unique \$1000 U.S. Gold Certificate Series 1882 (FR 1218d) realizes \$945,000 in CAA sale;

Jan. 9

1740, Rhode Island governor Richard Ward reports on the flourishing economic benefits of paper money; 1803, CSA Treasury Secretary C.G. Memminger, who appears on Confederate \$5 and \$10 notes, born; 1964, Series 591 MPC withdrawn in the Pacific;

Jan. 10

1855, John Jay Knox becomes cashier of Susquehanna Valley Bank, Binghamton, N.Y.; 1864, *New York World* reports arrest of alleged CSA note printer W.E. Hilton; 1964, Nathan Goldstein's monthly column "Paper Money Periscope" debuts in *Coin World*;

Jan. 11

1755, Treasury Secretary Alexander Hamilton (FR 1-5, 41) born; 1862, *Leslies' Illustrated* depicts a Confederate \$10 Treasury Note; 1942, Smithsonian curator and author Richard Doty born; 1951, Last delivery of Series 1934C \$50 FRN;

Jan. 12

1826, Committee considers establishing branch banks for Bank of England; 1897, National Monetary Commission appoints committee to revise U.S. monetary system; 1990, Bank of England reports 61 percent of banking institutions were overseas banks;

Jan. 13

1808, Treasury Secretary Salmon P. Chase (FR 16-17) born; 1861, C.S. German takes photo of bearded Lincoln engraved for \$10 Demand Notes (FR 6-10) by Frederick Girsch; 1957, Peter Thorneycroft becomes British Chancellor of the Exchequer;

Jan. 14

1858, Treasury Secretary and "Father of the Federal Reserve" Carter Glass born; 1875, Congress provides for redemption of Fractional Currency in silver coins; 1976, Due to a postal strike NASCA postpones major auction for one week;

Jan. 15

1776, RI Colonials (FR RI 218-229); 1857, U.S. paper money collector Charles Markus born; 1975, Vernon Brown announces his intent to resign as SPMC Secretary; 2004, New dinars replace Saddam-portrait notes in Iraq as only official currency;

Jan. 16

1817, Treasury Secretary Alexander Dallas, instrumental in chartering Second Bank of U.S., dies; 1978, Smithsonian and Chase Manhattan Bank agree to transfer Chase collection; 1984, Grace Commission recommends the Fed adopt a standard seal;

Jan. 17

1800, Millard Fillmore, who appears on obsoletes, born; 1914, Chicago dealer Ben G. Green dies; 1934, Gold Certificates become illegal for individuals to own;

Jan. 18

1864, Union MG Benjamin Butler instructs spy about passing CSA currency; 1949, Notorious bunco financier Charles Ponzi dies; 1974, Lee Majors debuts on TV as the *Six Million Dollar Man*; 1985, Gary Lewis accepts job as interim SPMC Secretary;

Jan. 19

1926, SPMC member George W. Taylor born; 1976, End of Simon-Neff combined tenure as Treasury Secretary and Treasurer; 2001, R.M. Smythe Annual Strasburg Stock & Bond sale features quantities of Penn Central RR certificates;

Jan. 20

1814, Massachusetts Senate orders publication of consolidated statement of the 29 banks in the state; 1968, Treasury Secretary Henry Fowler signs TO-212 approving new, less ornate Treasury Seal; 2001, Paul O'Neill takes office as Treasury Secretary;

Jan. 21

1780, George Washington reports that he is forwarding counterfeit currency taken off a dead British soldier to the loan office to be burnt; 1861, Jefferson Davis, who appears on Confederate 50-cent and \$50 bills, resigns U.S. Senate seat; 1862, Blanton Duncan advertises for lithographic printers in *Richmond Enquirer*;

Jan. 22

1890, Treasury Secretary Fred Vinson born; 1976, Beirut bank robbery nets record, est. at \$20-\$50 million dollars;

Jan. 23

1836, Encased stamp issuer Hopkinton, MA merchant Arthur M. Claflin born;

1941, Detroit Coin Club honors Albert A. Grinnell with gold medal at 400th meeting; 1977, W. Michael Blumenthal takes office as Treasury Secretary;

Jan. 24

1813, Continental Treasurer George Clymer dies; 1932, Fractional Currency author D.W. Valentine dies; 1939, Senator Logan reads into *Congressional Record* "Lincoln's Monetary Policy"; 1997, R.M. Smythe 10th Anniversary Strasburg Auction;

Jan. 25

1790, William Cooper of Otsego County, NY issues scrip; 1922, Noted banker, Comptroller of Currency and paper money author A. Barton Hepburn dies;

Jan. 26

1866, Louisiana Governor André B. Roman, who appears on DIX note, dies; 1992, BEP/Mint engraver Gilroy Roberts dies; 2004, Money illustrator Tim Prusmack dies;

Jan. 27

1900, U.S. Treasurer Georgia Neese Clark born; 1938, First delivery of Series 1934A \$5 SC; 1960, James Garner takes to silver screen as *Cash McCall*;

Jan. 28

1834, Indiana Legislature charters State Bank; 1953, Beginning of Humphrey-Priest combined tenure; 2004, Bank of Canada unveils new \$100 *Canadian Journey* note;

Jan. 29

1803, Anselm von Rothschild, who said "give me power to issue a nation's money, then I do not care who makes law," born; 1862, Treasury Secretary Chase withdraws opposition to U.S. legal tenders; 1980, SPMC names its Memphis exhibit award;

Jan. 30

1897, NY Colonial Currency author John Howard Hickcox dies; 1934, *Confederate and Southern States Currency* author Grover C. Criswell born;

Jan. 31

1866, Alabama legislature authorizes certain county scrip; 1913, Treasury Secretary MacVeagh approves new George Washington \$1 Silver Certificate design; 1985, BEP souvenir card for Long Beach expo reproduces Series 1865 \$20 GC back; ❖

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On This Date in Paper Money History -- Feb. 2006

By Fred Reed ©

Feb. 1

1886, Final semi-annual payments on Louisiana "Baby Bonds"; 1964, Thieves steal nearly \$300 grand worth of material from Criswell's Money Museum, St. Petersburg Beach, FL; 1979, *Bank Note Reporter* first published by Krause Publications; 2003, H.E. Harris acquires Whitman Coin Products from St. Martin's Press;

Feb. 2

1819, Patent medicine vendor and currency facsimilist Sam Upham born; 1966, Glenn Ford-Elke Summer star in *The Money Trap*; 2004, Takatoshi Kato becomes IMF Deputy Managing Director; 1962, First delivery of Series 1953B \$10 SC;

Feb. 3

1863, John M. Batchelder patents improvement in bank notes with a series of numbers extending across the bill; 1964, Fractional Currency author Frank A. Limpert dies; 1971, David Hakes article on SPMC in *Coin World* nets 120 new members;

Feb. 4

1879, The new consolidated ABNCo with NBNC and ContBNCo added incorporates; 1974, Socialite cum bank robber Patty Hearst kidnapped by Simbians Liberation Army; 1986, Robert T. Parry takes office as President SF Fed Bank;

Feb. 5

1637, Holland's tulip bulb bubble bursts; 1794, Treasury Secretary Alexander Hamilton reports to Congress on loans from Bank of the U.S.; 1864, George H. Perine revives flagging American Numismatic Society by inviting group to meet at his home;

Feb. 6

1864, CSA Congress prohibits dealing in U.S. currency with certain exceptions; 1911, Ronald Reagan, who said "money can't buy happiness but will get you a better class of memories," born; 1967, Treasury Secretary Henry Morgenthau Jr. dies;

Feb. 7

1833, Florida Territorial Legislature charters Commercial Bank of Florida, Apalachicola over governor's veto; 1979, Smithsonian unveils highlights from the Chase Manhattan Bank Collection; 2005, Fred Reed's *Show Me the Money!* published;

Feb. 8

1861, Alabama Assembly authorizes Governor to issue state notes payable in Confederate currency; 1875, U.S. Act taxes notes of state banks, towns, cities, or municipal corporations at 10%; 1971, Beginning of Connally-Kabis tenure;

Feb. 9

1819, Worthington, OH taverner Ezra Griswold issues third series of scrip; 1864, Photographer Anthony Berger takes famous Lincoln photo on which familiar \$5 portrait is based; 1947, Bank robber Willie Sutton escapes Philadelphia jail;

Feb. 10

1808, First bank authorized in Ohio, Bank of Marietta incorporates; 1863, Senator John Sherman addresses Congress on the necessity of a uniform national currency; 1911, William H. Woodwin Collection sale;

Feb. 11

1818, Maryland Assembly taxes all banks not chartered by the legislature; 1971, John B. Connally takes office as Treasury Secretary; 1997, Edison Birthplace Historic Site, Milan, OH issues souvenir cards for Thomas Alva Edison's birth sesquicentennial;

Feb. 12

1864, First National Bank of Columbus, OH receives their National Bank Notes; 1934, Export-Import Bank incorporates; 1964, Production of Series 1963 \$2 U.S. Notes with motto "In God We Trust" begins;

Feb. 13

1866, Banknote engraver George W. Hatch dies; 1990, ANS hires John M. Kleeburg as asst. curator of Modern Coins and Currency; 2003, Economist and Presidential adviser Walt Rostow dies;

Feb. 14

1818, Mississippi renames its only chartered bank Bank of the State of Mississippi; 1923, President Harding restores 17 BEP employees he'd sacked two weeks earlier; 1924, President Coolidge names Army Major Wallace Kirby acting BEP Director;

Feb. 15

1811, Congress charters Bank of Alexandria, DC; 1841, Congress authorizes one-year interest-bearing notes of \$50 and up; 1870, Order of payment for Missouri Union Military Bonds is specified; 1980, BEP souvenir card for ANA midwinter show reproduces Series 1896 \$5 Silver Certificate back;

Feb. 16

1866, Bank of the State of Tennessee assets liquidated; 1875, Fourth Issue of Fractional Currency ceases; 1973, Independent Arbitrage International issues bearer notes denominated in "constants"; 1990, BEP accepts title to Western printing facility;

Feb. 17

1862, PM Henry Cleveland, Shushan, NY, circulates cardboard 1¢ scrip; 1864, CSA notes' seventh issue; 2003, Traveling exhibit "Confederate Currency: Color of Money" opens in Baton Rouge; 2004, Paper money collector/author Martha Schingoethe dies;

Feb. 18

1836, Pennsylvania rechartered Second Bank of the United States as United States Bank of Pennsylvania; 1875, Act prohibits national banking associations from issuing "any other notes to circulate as money"; 2005, SPMC member/dealer Tom Durkin dies;

Feb. 19

1842, Wisconsin Legislative Assembly authorizes Territorial Warrants for payments; 1873, Comptroller of Currency required to report on condition of state banks; 1980, Sen. William Proxmire introduces S2305 to authorize printing the backs of U.S. \$1 bills "by a method other than the intaglio process"; 2004, Collector's Universe sells Bowers & Merena Galleries to Greg Manning Auctions;

Feb. 20

1807, New Orleans Mint melter-refiner and emergency scrip issuer John Leonard Riddell born; 1877, Final Treasury Department contract with Columbian Bank Note Co. to print government securities; 1894, U.S. Attorney General Richard Olney rules that Silver Certificates are not "lawful money" under statutory language;

Feb. 21

1861, CSA Treasury Secretary Christopher Memminger's tenure begins; 1863, *Scientific American* reports NYC's Eighth Avenue Railroad Co. redeemed \$8,400 face value in stamps taken as fares; 1871, First National Bank of Lincoln, NE chartered;

Feb. 22

1777, Washington's aide LTC John Trumbull whose art appears on notes resigns commission; 1850, Cornerstone for Crawford's Washington statue, which appears on CSA 1864 \$500 notes, laid; 1959, Hong Kong film *Money* (a.k.a. *Qian*) debuts; 1980, Israel pound bows out; 1999, first FDIC-insured Internet-only bank firstib.com goes on line;

Feb. 23

1864, First National Bank chartered in Maryland (FNB Baltimore #204); 1867, 2nd Issue of Fractionals ceases; 1938, Numismatist Doug Ball born (some sources state 1939); 2003, "Wonderful World of Money" opens at Bowdoin College Library;

Feb. 24

1815, Inventor Robert Fulton (FR 247-248) dies; 1913, *American Journal of Numismatics* Editor William T.R. Marvin dies 1914, BEP begins moving into current main printing plant between 14th and 15th Streets;

Feb. 25

1791, Congress charters the First Bank of the United States with capital of \$10 million; 1873, John W. Haseltine holds numismatic auction in Philadelphia; 1985, Last delivery of Series 1981 \$50 FRN;

Feb. 26

1797, Bank of England issues first one-pound note; 1798, Bank of England suspends specie payments; 1867, Kansas OKs Union Military Scrip to pay Civil War military claims; 1874, Fifth Issue of Fractional Currency commences; 1913, Treasury Secretary MacVeagh instructs BEP to proceed with redesigns for small size U.S. currency;

Feb. 27

1795, "Swamp Fox" General Francis Marion, depicted on Confederate \$100 note, dies; 1888, First J.W. Scott auction cataloged by Lyman Low offers George Bascom collection; 1933, Lewisburg Grain Elevators circulates depression scrip with images of Abraham Lincoln; 2004, "The Higgins Money Museum" video debuts at CPMX; 1987, ANA mid-winter convention convenes in Charlotte, NC;

Feb. 28

1793, U.S. government borrows an additional \$800,000 at 5% from Bank of the United States for support of government for 1793; 1878, Congress passes Bland-Allison Act authorizing Silver Certificates requiring silver purchases;



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Were These Errors Engraved on Purpose? **Inverted & Mirrored Plate Numbers on Fractionals – Part II**

By Rick Melamed

SINCE MY INITIAL RESEARCH ON INVERTED AND MIRRORED PLATE NUMBER NOTES on fractionals three years ago (SPMC Vol. XLII, No.1, January/February 2003), quite a few more examples have been added to the census. (14) New examples have been discovered and the list has been updated accordingly. Also with further research a couple of deletions to the list were necessary (see page 62). Some new observations have been noted and I will do my best to elaborate. But the big question is...**were Inverted/Mirrored Plate numbers done on purpose and as a prank by apprentice engravers?**

Before continuing, a brief explanation of fractional plate numbers is necessary. When fractional sheets were made a single plate number was engraved onto the face and back plates on the 1st, 2nd and 3rd issues. On 4th issue faces, the plate number was added as a stand alone process and not engraved into the actual plate. That would explain why the placement of plate numbers on the face of 4th issue notes can vary; while on the first three issues, their position is static. Plate numbers on 4th issue backs and on 5th issues faces and backs were engraved into the selvage portion of the sheet. The only known example of a plate number on a 4th issue back is an FR1301 and is only there because the note's top selvage was not trimmed off (see the 2003 SPMC article for a photo).

The plate number was usually engraved into the margin of the notes and their existence was for accounting purposes only. Since not part of the note's design element, they are frequently partially or wholly trimmed off. Still whole plate numbers on a note are not uncommon. But since only two plate number notes are possible per sheet (one face, one back) they are still pretty scarce. Much rarer is a plate number engraved inverted or in mirrored image. Since the mundane task of plate accounting was performed by an apprentice engraver, the existence of inverted and mirrored plate numbers was either due careless engraving or a whimsical attempt by the engravers for some humor.

It's not a far stretch to imagine an apprentice or two, in a fit of boredom or horseplay, engraving the plate number inverted or in mirrored image. Since their existence was not meant for the general public to see, I think it can be reasonably assumed that some inappropriate actions were possible. I base this theory on several observations:

- Inverted/Mirrored plate numbers are very, very rare on regular 2nd issue notes. Only 2 examples are known to exist on an FR1245 and FR1316. Two examples out of 345 plate numbers is a reasonable ratio to assume an engraving error. Also one of the examples, an inverted 66 on an FR1245 could have been easily inverted by accident since "66" and "99" are so similar in design. Why is there a much greater preponderance of plate number errors on 3rd and 4th issue notes? I theorize that the engraving of 3rd and 4th issue plate numbers was an attempt by an apprentice to put one over.
- Why are inverted/mirror plate numbers much more prevalent on 3rd issue Spinner and Justice notes than the other 3rd issue denominations (3¢, 5¢, 10¢ and 25¢)? Again, could it be the alleged culprit only engraved plate numbers on Justices and Spinners and not on the other denominations? Plate numbers frequently show up on all 3rd issue denominations, but 90 to 95% of inverted/mirrored plate numbers are found on the 50¢ denomination.
- Then there is the quantity of examples to consider. There are far too many examples of inverts/mirrors to justify that many engraving mistakes. 70 different examples will translate to a relatively high percentage. How many plates were used...maybe 1000? There are 70 unique inverted/mirrored plate numbers known and more yet to be discovered. That's roughly 7%. This is a relatively large percentage of errors and one can postulate safely that some of them were done on purpose. Please note: the exact number of plates used for fractionals is unknown. There is an accounting of plates for the first three issues; no accounting of the quantity of plates used for the 4th and 5th issue exists.
- On 4th issue notes, the inverted plate numbers are inverted on a consecutive string of FR1259s. Please note that there is an inverted plate number #18, 20 and 21 (is there an inverted 19?). Also inverted 4 and 5, and inverted 32, 33 and 34. I don't think this is a coincidence. Could it be further proof of this theory? Perhaps so (see illustrations).
- There are two blocks of (8) plate numbers for 2nd issue specimens. The first block of (8) encompasses plate

Gleanings from My Fractional Currency Archive - 8

By Fred Reed

HERE'S AN OPPORTUNITY FOR RESEARCH. WE might have had another issue of Fractional Currency during the Gay Nineties. The clipping below is from the journal *The Manufacturer and Builder*, December, 1893. If you find out what happened, write it up and send it in!

POSTAL FRACTIONAL CURRENCY.—There is a bill pending in Congress providing for the issuing of postal fractional currency in denominations of 5, 10, 25 and 50 cents. This is intended to furnish the public with a convenient form of money for transmission through the mails. It is to displace the postal notes, which are to be withdrawn from sale on January 1, 1894. This fractional postal currency would be furnished at its face value and without the formality now necessary to get a postal note. There are branches of business involving small transactions which would be sensibly aided by such a currency for inclosure in letters.

A New Pyrometer for Industrial Uses.

Queen & Co., of Philadelphia, have, within the present year, put on the market a mercurial pyrometer for use in stacks, flues, stills,

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numbers 1-8. The second block of (8) specimens is from plate numbers: 334, 335, 336, 337, 339, 341, 342 & 345. Of the (8) plates used for the 3xx series on the 2nd issue wide margin specimens (face and back for each denomination...5¢, 10¢, 25¢ & 50¢) (3) of the examples exhibit mirrored plate numbers. Unlike regular issue notes where many different plates per denomination were used, only one plate was used for each specimen type in the 3xx series. The (3) known examples are illustrated below:

Since the plate number on specimen notes was engraved on the very edge; finding an untrimmed example with the plate number (and the deckled edge) is very, very rare. The only research on 2nd issue wide margin specimen notes with plate numbers is confined to these three examples, and all three are mirrored! One can wonder if three of the eight plates on the 3xx series have mirrored plate numbers, do the other five plates have mirrors? Again

if such a high percentage is mirrored, is this a case of an engraver purposely engraving the plate numbers incorrectly? One would think so. Any additional information on other wide margin specimens with plate numbers would be greatly appreciated (please email me at riconio@yahoo.com).

I think the evidence presented makes a convincing case that inverted/mirrored plate number notes could very well have been engraved in mirrored or inverted image on purpose. Maybe all the engravers were in on the joke and not just the apprentices. One would think that the master engravers proofed the plates, and while design elements were never compromised, all could share the inside joke when it came to plate numbers. *And why not?* How many times, in the name of anti-counterfeiting protection, were the designs changed, or surcharges added, or the paper was changed (thick fiber, fine fibers, watermarked, un-watermarked, etc.). The government must have been making the engravers crazy with different requests.

To add insult to injury along comes Spencer Clark, whose inappropriate behavior got him in lots of hot water. He had the audacity to make the engravers put his portrait on a note. Oh, I'm sure the engravers had a few unkind words behind Clark's back. They got even in their small inconsequential way. . . an inverted plate number here, and mirrored plate number there. By the 3rd issue they snuck in a few and by the 4th issue they were going hog wild.

From the contrarian's point of view sometimes one cannot see the forest in front of the trees. It's quite possible that I've over thought this, and the reality is that the engravers were so intent on the note design that they overlooked the plate numbers because they were nothing more than an accounting function and ultimately not worth paying attention to. After pondering this and discussing the subject among the fractional fraternity, I ultimately believe there was purposeful intent to engrave plate numbers inverted and mirrored.



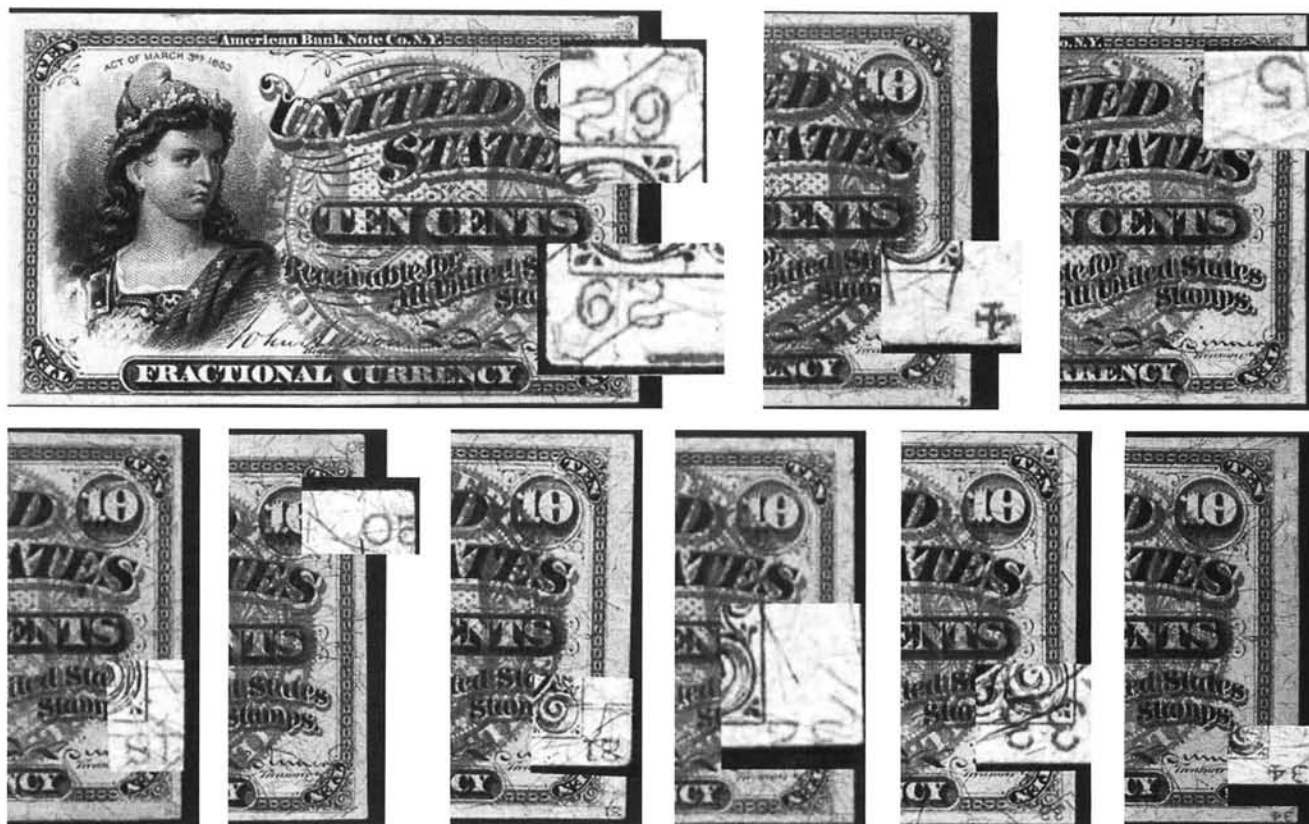
FR1232SP-WM-Face - Mirror 334



FR1232SP-WM-Back - Mirror 335



FR1283SP-WM-Face - Mirror 339



From top left: Is this Plate #29 or an inverted Plate #62? Inverted #s 4, 5, 18, 20, 21, 32, 33, 34

After 140 years it looks like their secret has finally been uncovered and now we're all in on the joke. The whole thing is pretty funny when you think about it. I'm sure the engravers would much rather be engraving \$100 notes rather than the lowly fractionals. All this adds to the wonderful folklore of fractionals.

In conclusion, no real research was ever attempted earlier, so the list of examples will continue to grow. It will probably never be completed. I have to extend many thanks to all my fractional buddies who have shared my enthusiasm and contributed to this ongoing research. They have been scanning bourse floors, bidding for me in auctions that I cannot attend, and generally keeping their eyes open for new examples. Every time a new example is discovered, I dutifully add it to the list. In the end collecting is a passion we all share. If we can contribute a little bit of information to the hobby, then we have distinguished ourselves not merely as collectors, but enthusiasts who appreciate the history of our hobby and how it relates to the history of our great country. Always remember, we never really own the notes in our collection; we're just holding them for the next guy.

In no special order, and certainly not limited to, I want to thank Benny Bolin, Bob Laub, Mike Marchioni, Tom Denly, Martin Gengerke, Rob Kravitz, Tom O'Mara, Bruce Hagen, David Treter, Jerry Fochtman, Len Glazer and Milt Friedberg.

Discovery Note Found Only Known Example of a Regular 3rd Issue Red Back fractional with an Inverted Plate Number

Towards the end of last April I received the Heritage/CAA Tom O'Mara Auction Catalog. What started as a rumor mushroomed into a full-blown event. Tom O'Mara was selling only the 2nd complete collection of regular issued fractionals (Martin Gengerke's was the first at the FUN sale in 1995). This was certainly the most eagerly awaited catalog since the Ford sale from 2004.

Everyone has his/her special interests and mine is the inverted/mirror plate numbers notes. A lot of the readers are now in possession of a former O'Mara treasure. I knew Tom was selling off his FR1301 with the mirrored 6 on the back (lot 15785), and this is a note that I have really wanted for years.

I first became aware of its existence in 2001 when I

began research on my first article on inverted/mirror plate number notes. Tom, who was the President of the FCCB at that time, helped me considerably in writing the first article and sent me the scan of the FR1301. It's a great example and the only known example of a 4th issue note with an inverted plate number on the back. It exists because the top selvage of the note remained untrimmed. Anyway the scan appeared in the first article and I have been bugging Tom these past few years to sell it to me.

My logic was flawless: "Tom, please sell me the note, I have 60 different examples of inverted/mirror plate number notes and the FR1301 belongs with the others. I must have it!!" Alas, each time I was politely rebuffed by Tom with,

Inverted and Mirrored Plate Number Notes

revised 6/1/05

<u>Friedberg #</u>	<u>Inverted Plate #</u>	<u>Position</u>	<u>Reference</u>
1226	2	Back	(2) in RM Collection
1230	28 (900 rotated)	Face	Private Collection
1245	66	Face	Private Collection
1255	inverted 83	Back	RM Collection
1255	inverted & mirror 83	Back	Valentine Reference, RM Collection
1256	inverted & mirror 83	Back	Valentine Reference
1256	6 partial	Face	Private Collection (could be plate #26, 36, 56, 76, 86, 96, 106, 116 or 126)
1259	4	Face	RM Collection, RM Smythe 10/04 Lot 2702
1259	18	Face	eBay Item number: 3928205557
1259	20	Face	2x RM Collection, lot 2760 Goldberg 2/01 -
1259	21	Face	lot 688 - CAA 1/97-RM collection
1259	32	Face	RM Collectionx2
1259	33	Face	Valentine Reference
1259	34	Face	lot 898 CAA 2/02-RM Collection
1259	62	Face	RM Collection
1267	mirror 5	Face	#5310 CAA 9/01 & Valentine reference &RM x2
1267 Sheet	mirror 5	Face	Lot 1005 Stack's 5/04
1267	20	Face	ebay : 3922038088
1269	4	Face	Private Collection
1269	10	Face	RM Collection
1271	7	Face	RM Collection
1294	partial 48	Back	Private Collection
1294	6x	Face	RM Collection
1301	mirror 6	Back	RM Collection from O'Mara 5/05 CAA Auction Lot 15785
1303	10	Face	#702, NASCA 5/77
1303	partial 54	unknown	Private collection; lot 841 CAA 9/02
1316	partial 3	unknown	Private collection
1320	12	Face	Lot 91, Glazer Mail Bid Sale #1
1328	Mirror 1	Face	Ref By Richard Jacobson
1331	partial 6	Back	#5270 CAA 9/01-RM Collection
1331	mirror 21	back	RM Collection
1332	32	Back	RM Collection; lot 2031 Lyn Knight 6/04
1334	32	Back	RM Collection
1336	32 partial	Back	#819 CAA 2/02*, #145 1/95, #15214 9/04*, Lot 16042 May 2005 O'Mara Sale
1335	44	Back	Private collection
1336	partial 44	Back	#16691 CAA 1/03
1337	partial 44	Back	Private collection
1343	Partial 36	Back	RM Collection from Lot 16052 May 2005 O'Mara Sale
1338	partial 44	Back	RM collection
1358	mirror 21	Back	RM Collection
1360	29	Back	RM Collection
1360	68	face	RM Collection
1362	mirror 21	Back	lot 873 CAA 2002 - RM Collection
1362	12	Back	Private Collection
1362 w/inv surcharge	18	Back	Valentine Reference
1363	12	Back	Private collection; lot 841 CAA 9/02, Lot 933 Stacks 5/04, Lot 77 Stacks 6/05
1363	32	Back	RM Collection
1363	partial 20	Back	lot 16744 - CAA 1/03
1363	22	Back	RM Collection
1363	partial 2	Back	could be plate # 20, 21, 22, 45, 25, 27, 28 or 29 - RM Collection
1363	32	Back	RM Collection
1364	22	Back	Lot 15478 1/05 FUN
1364	2x	Back	RM Collection
1364	29	Back	Valentine Reference
1365	20	Back	RM Collection (2); Lot 935 Stack's 5/04
1365	12 partial	Back	Valentine Reference
1365	29 partial	Back	RM Collection
1365	22 partial	Back	Lot 21260 6/15 CAA internet auction and now w/ RM
1365	41	Back	Lot 79 Stack 6/05, RM Collection
1368	12	Back	RM Collection
1368	32	Back	lot 884 CAA 2/2002; lot 938 Stacks 5/04
1368	44 partial	Reverse	RM - Lot 15535 CAA 9/05 sale
1369	29	Back	Private Collection
1369	32	Back	RM Collection
1371	mirror 21	Back	Private Collection
1371	29	Back	Several Exist
1371	42	Face	Valentine Reference
1372	partial 29	Face	RM Collection
1376	21	Face	Private Collection
1232SP-WM-OBV	4x Partial		Private collection (2nd digit is not definable)
1232SP-WM-OBV	mirror 334 partial		RM Collection
1232SP-WM-REV	mirror 335		RM Collection
1251SP-WM-REV	11		Several Exist
1255SP-WM-REV	11		Several Exist
1283SP-WM-OBV	mirror 339		Private Collection
1294SP-WM-OBV	13 (900 rotated)		Private Collection
CFT1295	mirror 51	Back	Counterfeit - private Collection



"Rick if I ever decide to sell it I'll let you know." Oh well, you cannot blame a guy for trying.

Anyway, when the realization that the sale was going to happen during the Central States Convention in St. Louis, I began checking the Heritage/CAA Website daily where the lots generally hit the Internet before the hard catalog arrives in the mail. I wanted confirmation that the FR1301 would be in the sale. Sure enough when O'Mara's collection hit the website, the FR1301 with that mirrored 6 was there as expected and I began to get excited. I went through the rest of the website really not expecting anything too significant in the way on inverts/mirrors. When doing my research for my initial article, Tom had indicated that he went through his collection and reported what inverted/mirrored plate number notes he possessed. Tom had quite a lot of special notes. What with pedigrees from Milt Friedberg, the largest collection of fractional errors ever offered, and an impressive collection of autographed notes, this was not just a sale, this was going down as one of the great fractional sales ever.

As I was making my way through the catalog...OMY-GOSH!! A true discovery!! The first known example of an inverted/mirrored plate number on any regular 3rd issue red back (including the 5¢, 10¢, 25¢ & 50¢ 3rd issue denominations). They abound on green backs; on red backs no examples were known until now.

And I cite from the Heriagate/CAA May 2005 auction catalog:

"Lot #16052 FR.1343 Milton 3R50.3a Third Issue Justice Very Choice New. With a hair more top margin, this bright flashy impeccable Justice would make the elusive Superb Gem grade. It features deep original embossing, perfect colors and reflective bronze. The note also has an inverted back plate number "36," likely 36. This inverted number is not listed in Rick Melamed's newly updated census, which appeared in the winter 2005 FCCB periodical. In fact, no

inverted or mirrored plate numbers are listed for any Red Back Justice. (600-up)"

Heriagate/CAA was correct on all counts; up to this point: there were no known examples of inverted/mirrored plate numbers on Red back Justice (also Spinners, a technicality because they use the same back). I also agree with Heritage/CAA when they state they believe it's an inverted plate #36. This is a true discovery note and it's a significant find (as an aside, it was a thrill to see my name mentioned in the auction catalog; I got a few emails and calls from friends ribbing me that I made the big time because my name was in the catalog!).

For those who think that this may be a regular (non-inverted) "9x" plate number, that's not possible. According to the BEP list of fractional plates, for 50¢ Justice/Spinner faces and Type 1 backs, the issued plates stop at 94. More specifically: Plate 90 is a back; Plate 91 is back; Plate 92 is a back; Plate 93 is a face no signature wide margin specimen; Plate 94 is a back.

A careful study of the first partial digit clearly indicates that the partial numeral is definitely not a "0", "1" "2" or "4" (the "3" was an face).

Also for those who postulate the partial first numeral could be an "8" or an inverted plate "86," that also is not possible. The same BEP plate list indicates that plate #86 was for the face. There is enough of a design element in the partial first numeral and support documentation from the BEP to conclude positively that this note possesses an inverted plate #36. (Editor's note: The note brought \$1753.75 including buyer's premium.)

This kind of story gets buried what with the FR1255A, FR1373A, FR1352, negative essays, presentation book, etc. All I can say is that all these rarities were known entities, but the FR1343 with the partial inverted 36 is a discovery note and its existence was not known until this time. ❖

The following is a list of proof notes, as submitted and cataloged by Tom O'Mara, from the Smithsonian Institutes holdings:

PKG NO.	SCHED NO.	DENOM	DESCRIPTION	PROOF IMPRESSION NUMBER	PLATE NUMBER	INVERT or MIRROR
1	240	3 cts	3rd Issue Backs	145346C	6	Invert
1	240	3 cts	3rd Issue Backs	145347C	2	Invert
1	240	3 cts	3rd Issue Backs	145349C	9	Mirror
1	240	3 cts	3rd Issue Backs	145362C	24	Invert
6	245	10 cts	3rd Issue Green Backs	145544C	107	lower left corner = wrong corner
8	247	10 cts	2nd Issue Face		71	Invert
10	247	25 cts	2nd Issue Face		238	In wrong corner
						note = plate #'s on this 2nd issue 25 ct 4x5 note sheets in bottom 4 corner convergence
11	247	25 cts	2nd Issue Back		219	"9" only is backwards
11	247	25 cts	2nd Issue Back		222	Upside down - all #'s backwards
11	247	25 cts	2nd Issue Back		234	Invert
11	247	25 cts	2nd Issue Back		226	Written

No Loop de Loop

Do you have one in your collection?

By Mike Marchioni

WHEN I FIRST BEGAN COLLECTING FRACTIONAL Currency in the late 1960s, the readily available fractional reference works consisted of D. W. Valentine's *Fractional Currency of the United States*, F. Limpert's *United States Postage and Fractional Currency*, and Matt Rothert's *A Guide Book of United States Fractional Currency*. With my research tools in hand, I busily collected such items as the fourth issue Liberty notes with the misspelled "Allison" signature, open "e," closed "e," and the Allison with the "dot" in several places.

Today, unfortunately, nobody seems to care about the oddities produced in the fourth issue by the American Bank Note Company (ABNC). Were the Allison misspellings an error or purposely done by an engraver? I don't have an answer for that question; however, two years ago I had an opportunity to view 49 different ABNC engravers proofs of the fourth issue Liberty note—all with ever so slight design variations. It would be interesting to know how many variations actually made it into production.

All of this brings me to the question as to what constitutes a "complete collection" of regular issue notes? Is a regular issue collection complete according to the works of Valentine, Limpert, Rothert, or according to listings found

in Robert Friedberg's *Paper Money of the United States*? Most collectors view the 135 pieces listed in the Friedberg reference work as a complete set.

No one in the fractional community appears to have a problem accepting the Fr. 1255a (Tom O'Mara's example fetched a record price of \$138,000), or the Fr. 1330 into the Listing, although it is quite doubtful that either note was ever released to the public. I have, however, seen one VG Fr. 1330.

Others, however, do question the



Fifty-cent Justice note with no loop.

inclusion of the 1310a (two sheets of "perf 14" notes historically have been attributed to the actions of dealer Harlan P. Smith circa 1890. Such notes, as stated by Heritage/CAA in the Tom O'Mara catalogue, "...remain(s) highly desirable and collectible in spite of its possible private perforations").

Some question the Fr. 1248, the earliest appearance of which was in an auction in 1890 conducted by none other than Harlan P. Smith. The Fr. 1248 has reverse surcharges unlike any other fractional issue. Only the former Kessler Fr. 1248 has the old English "O" that is comparable to the "O" found on the Fr. 1320. It is still questionable, even if the Kessler note is genuine, that it was ever released to the public.

To me it is rather amazing that other rather rare regular notes produced by the Federal government don't get the attention (or the prices) they deserve. Most notable is the 1365a. According to Martin Gengerke "Most Justice plates had 12 subjects, but a few had 30. One of these had the plate position letter "a" on notes in the left column (face plate #62) rather than notes on the top row and did not have the number "1." Any Justice notes having the "a" only...and missing the signature loop on the left edge...would be from this plate of 30" (Gengerke, 1972, 81).

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Gengerke also indicated that documented evidence exists that the aforementioned plates were cut down to a more manageable size (Gengerke, 2005, personal communication; also see Knebl, pg 18). Given the margin size between Justice notes, many notes that are cut into the left portion of the design may appear to be “no loop” varieties; however, only if some portion of the left margin exists can the note be verified as a Fr. 1365a.

Tom Knebl added to the research on the Justice variety in *Paper Money* Vol. 17, pages 16-18. According to Knebl, in addition to the plate with the position indicator “a” on the left side obverse (face plate #62), another curiously configured 30-specimen plate existed. Face plate #5 had the position figure “a” only on the top three notes; hence, for face plate #5, only the upper left note would be a “no loop” variety.

Knebl searched shows and dealer stocks in hopes of finding the elusive “no loop” Fr. 1365. Finally, he discovered one in a group of Justice and Spinner notes he had acquired, and upon closer examination he discovered the note had an inverted back plate #29 (p. 17-18). Knebl indicated that back plate #29 was a 12-subject plate, which indicated that, indeed, the obverse plate had been cut from 30 specimens to 12 (p. 18). Based upon Gengerke’s research on plate information, Knebl presumed that his Fr. 1365a was from plate #5.

Ultimately, the Knebl Fr. 1365a was purchased by Milton Friedberg from Kagin’s 1981 Memphis auction (lot #738) and later became lot #666 in the CAA sale (current owner is unknown to this writer) of the Milton Friedberg collection. The only other auction record of a Fr. 1365a that I could find was lot #276 in the CAA May 2001 sale (p. 37). CAA listed the note as a “Newly Discovered “No Loop” Justice from Plate #5.” I would question CAA’s judgment as to the

1		
a	a	a
1		
1		
1		

Above: Regular Justice sheet showing the “normal” location of plate position figures.

a		
a		
a		
a		
a		
a		
a		
a		
a		
a		
a		
a		

Right: Location of position figures on a sheet from plate #62.

a	a	a

Far right: Location of position figures on a sheet from plate #5.

front plate number of the note appearing in the May 2001 sale. First, it doesn't possess an inverted back plate #29 and the position letter "a" is different from the Knebl/Friedberg note (see CAA, 1997, p. 98 and CAA, 2001, p. 37). Both notes are actually "no loop, no loop" varieties, i.e., they are both from the upper left corner of a sheet. Was the note in the CAA 2001 sale actually from front plate #62, rather than plate #5? If Knebl's assumptions were correct concerning his note, the 2001 CAA note must have come from face plate #62, rather than place #5. The note from the CAA 2001 sale was purchased by Tom O'Mara and was lot #16079 in the O'Mara Sale by Heritage/CAA in May 2005. It was purchased by the writer.

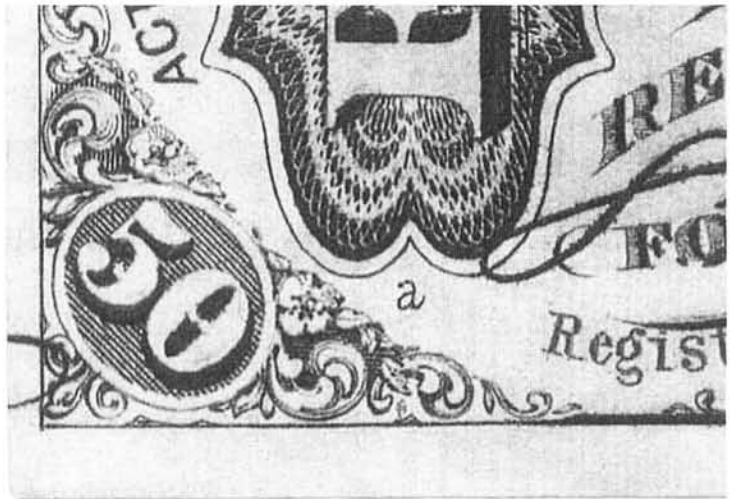
The only other Fr. 1365a that I have seen was another "no loop, no loop" variety from the upper left of a sheet—the letter "a" appears to be the same as that of Tom O'Mara's example. If I am correct in my assumptions, it too would be from the sheet with face plate # 62. That note (the Marchioni piece) was sold privately and resides in a Midwestern collection. Martin Gengerke indicated that he had seen three Fr. 1365a notes. Since Martin never saw my example, the current census for the note would total four (Knebl/Friedberg note in XF; O'Mara/Marchioni note in AU and Marchioni note in XF; Martin did not indicate the grade of the other Fr. 1365a that he had seen.).

Given the rarity of the note and the fact that it was not seen in most major auction sales, the note has brought modest prices at auction (Knebl/Friedberg \$935; O'Mara \$1,840). I believe the note to be severely undervalued and that it, and the Fr. 1286a, should be considered a part of any regular issue set. As of this writing, no example of a "no loop, loop" variety of the Fr. 1365a has been discovered, i.e., notes along the left side of face plate # 62 that have the loop from the "p" in Spinner's signature in the upper right portion of the note. If I am correct that notes from both plates #5 and #62 exist, several more examples of the 1365a should be available.

Do you have one? Happy hunting!

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Top: "Loop" variety from the overlapping of Francis Spinner's signature.

Above: "No Loop" variety

Grant/Sherman Specimens

By Rob Kravitz

MANY FRACTIONAL NOTES ARE STILL UNDERVALUED based on their scarcity and rarity for the grade. Today exceptional bargains include; perforated notes, fiber paper notes and Grant/Sherman specimen notes. The autographed (hand signed) Grant/Sherman notes, seem to me, to be one of the most overlooked values in Fractional Currency. They are the real sleepers of the fractional market!

Not all Grant/Sherman notes are autographed, but all are still very scarce. For example, only 9,016 notes of all types (printed and autographed signatures) were issued. As of 1884, only 3,513 were still outstanding.

The Grant/Sherman notes were printed on very thin paper, which if mishandled over the last 138 years would make the note an AU at best! Therefore, many of the wide margin notes over the years have been trimmed down to make gem narrow margin notes (usually to remove a corner tip fold or two). The hand signed notes (both narrow and wide margin) are susceptible to getting burn holes in the signatures from the acid in the ink. Also, this could cause cracking in the thin paper.

There are many Grant/Sherman notes (two fronts and two backs), that are still on shields. How many Grant/Sherman notes can still be left in CHCU or GEM today? How many did you see at the last coin and currency show you went to? How few do you see come up for sale even in large currency auctions?

There are eleven different types, all uniface (backs and fronts printed separately). They are:

- 1/2--Fr1272-sp front printed signatures of Colby and Spinner. Wide and narrow margin notes.
- 3/4--Fr1272-sp green back narrow and wide notes
- 5--Fr1273-sp front and autographed signatures of Colby and Spinner. Narrow margin only (no wide margin known). These are found only on the green and pink shields. Only a few are known with no trace of ever having been mounted on a shield (no glue remnants).



1274 face

Maybe 60 are known in all grades. This includes 12 on green shields and about 25 or so on pink shields. There are only two or three GEM known. Most are cut close or into the design on the right or left.

- 6/7--Fr1274-sp front autographed signatures of Jeffries and Spinner. Both narrow and wide margins.
- 8/9--Fr1275-sp front autographed signatures of Allison and Spinner. Both narrow and wide margins.
- 10/11--Fr1273-75-sp red backs. Both narrow and wide margins.

The most common Grant/Sherman (if any can be called common) is the Fr1272-sp narrow margin fronts and narrow margin green back. Also, the narrow margin red backs (Fr1273-75-sp). The Fr1274-sp and the Fr1275-sp narrow margin fronts are scarce. They come up for auction maybe four to five times per year. Most were mounted on shields and therefore have glue remnants from mounting on the back. The few GEMs that do come up for sale are cut down wide margins. This is one of the reasons why wide margin Fr1274-sp and Fr1275-sp fronts are very scarce in GEM. Maybe only two or three come up for sale each year.

The wide margin Fr1273-sp red backs are also very scarce with GEMs being extremely rare. I may have the opportunity to buy only 2 GEMs per year. The Fr1273-sp narrow margin fronts (no wide margins known) are rare in any condition. Most are still on the pink and green shields. Most of the ones that do come up for sale show signs of being removed from a shield. There are only 10-15 UNC or better that are even known. Maybe one or two at most come up for auction.

Most of the UNC or better Grant/Sherman notes are just staying in collections. That is one reason not many come up for sale each year. With less and less supply coming available, and the ever increasing demand, prices have nowhere to go but up. Late in 2003 the prices for Grant/Shermans zoomed past the 1981 peak prices. When my book (*A Collector's Guide to Postage and Fractional Currency*) came out in early 2004, prices went up again. Collectors realized how truly scarce the Grant/Shermans are.

The Stack's sale of the Boyd/Ford fractionals brought record prices for most of the Grant/Shermans; most were bought by dealers. Some investors are now also buying Grant/Sherman notes. Soon all the Grant/Sherman notes will be in collections. Do not wait. Buy your Grant/Sherman notes now (if you can find any) before they are gone.

This table represents the cost comparison of notes in 2004 when my book was published and April 2005.

Fr #	CHCU		GEM	
	2004	2005	2004	2005
1272 front narrow margin	\$550	\$750	\$750	\$950
1272 front wide margin	\$795	\$950	\$1,000	\$2,000
1272 back narrow margin green	\$350	\$450	\$425	\$595
1272 back wide margin green	\$350	\$550	\$500	\$750
1273 front narrow margin	\$2,300	\$3,600	\$3,600	\$4,500
1274 front narrow margin	\$595	\$795	\$895	\$1,000
1274 front wide margin	\$895	\$1,100	\$1,100	\$2,000
1275 front narrow margin	\$700	\$900	\$895	\$1,200
1275 front wide margin	\$995	\$1,200	\$1,200	\$2,300
1273-5 back narrow margin red	\$350	\$395	\$425	\$500
1273-5 back wide margin red	\$500	\$750	\$700	\$1,250



1272 face and back



Official Notice:**Nominations Open for SPMC Board**

THE FOLLOWING SPMC GOVERNORS' TERMS EXPIRE IN 2006:

Mark Anderson
Benny Bolin

Ron Horstman
Judith Murphy

If you have suggestions for candidates, or if the governors named above wish to run for another term, please notify Nominations Chairman Tom Minerley, 3457 Galway Rd., Ballston Spa, NY 12020.

In addition, candidates may be placed on the ballot in the following manner: (1) A written nominating petition, signed by 10 current members, is submitted; and (2) An acceptance letter from the person being nominated is submitted with the petition. Nominating petitions (and accompanying letters) must be received by the Nominations Chairman by March 15, 2006.

Biographies of the nominees and ballots (if necessary) for the election will be included in the May/June 2006 issue of *Paper Money*. The ballots will be counted at Memphis and announced at the SPMC general meeting held during the International Paper Money Show.

Any nominee, but especially first-time nominees, should send a portrait and brief biography to the Editor for publication in *Paper Money*. ❖

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May/June 6th U.S. National Bank Note Issue
September/October 2nd U.S. Small Size Notes Issue
January/February 3rd U.S. Obsolete Currency Issue
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Ad Deadlines are
Mar. 15th (National Currency)
July 15th (Small Size U.S. Currency)

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DC AND NY BANK HISTORIES WANTED. Collector seeks published works for research. Alan Palm, 301 G St. SW-Apt. 201, Washington, DC 20024; (202) 554-8976; e-mail: aspalm2003@yahoo.com (244)

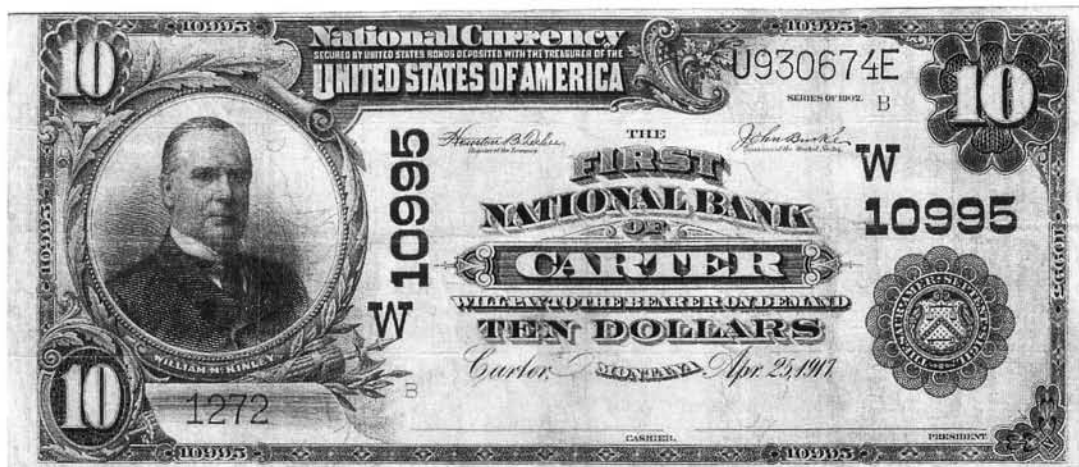
MASSENA, NEW YORK #6694 bank notes wanted, large or small size, also obsolete and related materials to Massena banks. John White, P.O. Box 3183, Spring Hill, FL 34606 (243)

POTSDAM, NEW YORK #868 and #5228 bank notes wanted, large and small size, also obsoletes and materials relating to Potsdam banks, John White, P.O. Box 3183, Spring Hill, FL 34606 (243)

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The PRESIDENT'S Column



An Exciting New Year

I HOPE THAT EACH AND EVERY ONE OF YOU had a great and safe holiday season. With all the adversity that struck this year, we certainly all had a lot to be thankful for. On the paper front, I welcome you all to this exciting Fractional Currency special issue of *Paper Money*. I know this is a real niche market, but I hope you all enjoy the articles and columns. The week before Thanksgiving, I had the pleasure to travel to the PCDA show in St. Louis where the SPMC had a board meeting and a general meeting featuring an old-timers forum. Ron Horstman, Allen Mincho and Neal Shafer all gave talks about how they got started in the hobby, where they see it today and where they see it going. It was a most interesting presentation, and I thank each and every one of the presenters and the attendees for making it a success. I thought Allen Mincho had some very relevant ideas that I had not thought of before. He spoke of the importance of information, but also the correct use of information and gave instances where too much or mis-use of information is as bad as not having enough information. Interesting and very thought provoking. I want to thank the PCDA for allowing the SPMC to have a table and a board meeting at their annual show. We have a long time relationship of cooperation between the two groups. This is an example of a relationship that is beneficial to those most important to our hobby--the collectors. When two groups can work with different agendas to ultimately make it better for collectors, truly positive results occur. I congratulate the new officers and board of PCDA with Dave Berg now leading the group as president. I have appointed SPMC governor and PCDA member Rob Kravitz as the liaison between the two groups to ensure this relationship works to provide quality results for the hobby.

At our board meeting, we ran it in a new fashion—rapidly and to the point with most of the actual work done via email before the meeting. We also utilized conference calling to allow participation by two members who could not attend. It worked very well and we will utilize it in the future to deal with more business of the society in a timelier manner. At our meeting, we discussed how the recent hurricanes, tornadoes and other member disasters could potentially negatively impact our members. It brought us to the realization that we need to have member needs at the forefront of our agendas. While not making a blanket policy, if a member you know is in need of help with dues, let me know. Finally we are already planning our Memphis meeting and are pleased to have Don Kagin give our program on War of 1812 notes. Until next issue, I wish you all a Happy New Year and good collecting.

Benny

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MEXICO BANKNOTES WANTED. Prior to 1915 with IMPRINTED or AFFIXED revenue stamp on reverse. Bob Bergstrom, 1711 Driving Park Road, Wheaton, IL 60187 USA bobanne@sbeglobal.net (244)

COLLECTOR NEEDS Annual Report of the Comptroller of the Currency 1863 thru 1935. Ron Horstman, 5010 Timber Lane, Gerald, MO 63037 (A)

WASHINGTON STATE NATIONALS WANTED. Seeking large-size WA nationals from Aberdeen, Hoquiam, and Montesano. Chris Flaatt, cflaatt@msn.com, 425-706-6022 (244)

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BANK HISTORIES WANTED. Collector seeking published histories of banks which issued Obsoletes and/or Nationals. Also seeking county/state/regional banking histories. Bob Cochran, PO Box 1085, Florissant, MO 63031 e-mail: spmclm69@cs.com (246)

LINCOLN PORTRAIT ITEMS. Collector desires bank notes, scrip, checks, CDVs, engraved/lithographed ephemera, etc. with images of Abraham Lincoln for book on same. Contact Fred Reed at P.O. Box 118162, Carrollton, TX 75051-8162 or freed3@airmail.net (245)

WANTED. Canadian Chartered Bank Notes. Wendell Wolka, PO Box 1211, Greenwood, Indiana 46142 (246)

WANTED. OBSOLETEs AND NATIONALS from New London County CT banks (Colchester, Jewett City, Mystic, New London, Norwich, Pawcatuck, Stonington). Also 1732 notes by New London Society United for Trade and Commerce and FNB of Tahoka Nationals #8597. David Hinkle, 215 Parkway North, Waterford, CT 06385. (249)

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A Little Known Phase of the Public Service of



by Leslie Deerderf

INTRODUCTION

U.S. TREASURER FRANCIS E. SPINNER IS lionized by collectors of Postage and Fractional Currency. This is especially true of collectors of the present generation who grew up under the shadow of Matt Rothert's influential 1963 Whitman "Black Book," *A Guide Book of United States Fractional Currency*. Matt canonized sparkplug Spinner as "The Father of United States Postage and Fractional Currency."

Dozens of excellent articles, exhibits, and speeches in recent years, many of them in this very publication, have gilded the government lilly, but an unfortunate aspect of Spinner's public service has been overlooked in the rush to such providential judgement.

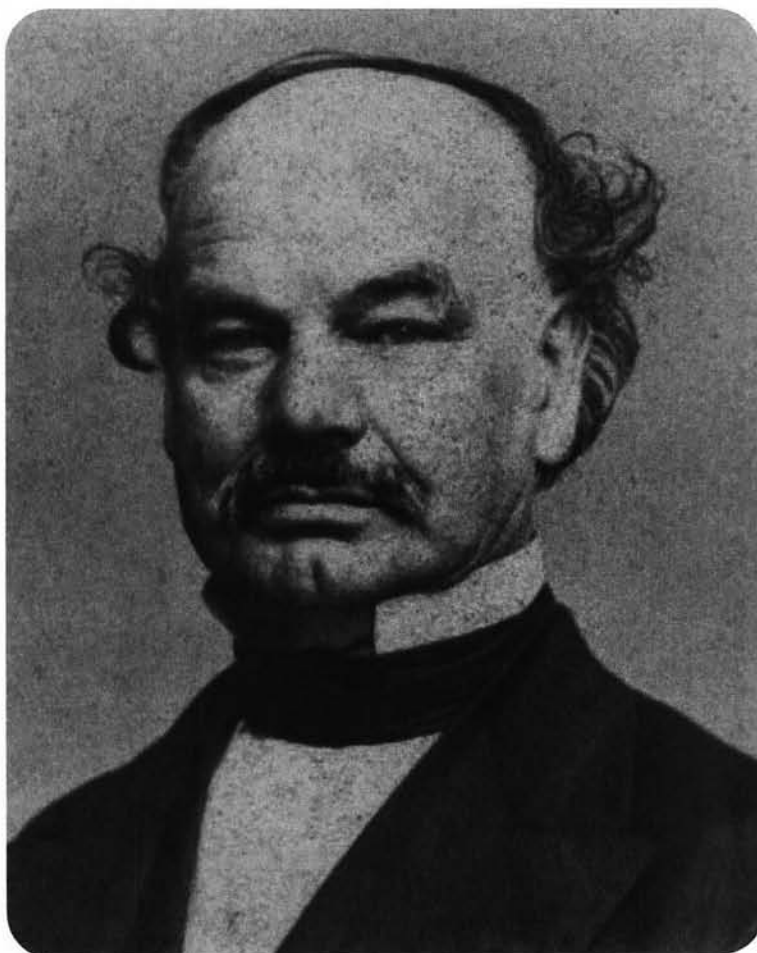
It seems Spinner was something of a lightning rod and whirling dervish politico, as an old circular I found while browsing around in the Library of Congress divulges. Not everyone in Spinner's time admired his character. I'll share the broadside's unvarnished pleas here with *Paper Money* readers, so they can come to a sense of equilibrium on the "general's" legacy in the future.

Titled "An Earnest Appeal to the Moral and Religious Citizens of all Denominations, in the Counties of St. Lawrence and Herkimer," the publication pans Spinner.

This publication is a slender four-page, self covered circular published on cheap, lousy paper by the "Corresponding Committee of the County of Herkimer," who identified themselves as George B. Judd, Fred. Lansing, Wm. I. Skinner, Wm. Bridenbecker, C.A. Burton, and C.A. Griffith.

BACKGROUND

Francis Elias Spinner was a man of talent and ambition. He was born January 21, 1802, in Mohawk, Herkimer County, NY. Home schooled he entered banking and rose to president of the Mohawk Bank. Spinner was also commissioned Major General in the state militia, and served in a variety of bureaucratic



posts. A Democrat, he was elected Congressman for the 17th district of the Empire State to the U.S. House of Representatives from 1855-1856.

Jacknape turned Republican, he was reelected through 1861. It was during his 1856 reelection bid that the Corresponding Committee of Herkimer County issued its pamphlet opposing the turncoat's candidacy. This Democratic tirade proves that negative campaigning surely is not a new phenomenon. Their mud slinging did not work. On March 16, 1861, President Abraham Lincoln tapped the born-again Republican as Treasurer of the United States. As Treasurer, General Spinner served with four Registers of the Treasury, their names appearing on U.S. currency: Lucius E. Chittenden, S.B. Colby, Noah L. Jeffries, and John Allison. His long tenure ended June 30, 1875. Spinner died in Jacksonville, FL December 31, 1890.

AN EARNEST APPEAL

To the Moral and Religious Citizens of all Denominations, in the Counties of St. Lawrence and Herkimer.

Fellow Citizens:--The political affairs of our country have reached an important crisis. We are upon the eve of one of the most eventful and decisive political struggles in which the people have been engaged for many years. The fountains of the great deep of the popular will have been broken up, and the elementary principles of government are well nigh reduced to a state of chaos by the reckless career and ambitious aims of designing demagogues and unprincipled political adventurers. In this general upheaval of party organizations and dismemberment of old associations and affinities, former antagonisms have become assimilated, and formed intimate alliances with each other. Many honest men find themselves now acting side by side with those whom they have all their lives heretofore bitterly opposed, and against their former warmest friends. In view of the strenuous and systematic efforts of the leading men and presses opposed to the democracy of the country, this is not strange. Thousands, doubt-

less, have thus been thrown temporarily from the great democratic track, who will unquestionably return again with the returning "sober, second thought" of the public mind.

Upon the general issue, therefore, we, the undersigned, members of the Democratic Corresponding Committee of the County of Herkimer, do not now propose to speak.

Our object now, is simply to exhibit before the Electors of the 17th Congressional District the real character, in a religious sense, of a single candidate who is asking for their votes for a seat in Congress--Hon. Francis E. Spinner. And here, we desire to strip ourselves of all political prejudices and predilections, and to

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deal only and solely with **NAKED, STUBBORN FACTS**. We cannot believe, that any considerable portion of the intelligent, right-minded, morally disposed, to say nothing of the religiously inclined citizens of this District, irrespective of party, can by any possibility be induced to give their votes to a known, openly avowed, and even **BOASTFUL, DEIST AND INFIDEL**. And we are prepared to show, by the most undubitable evidence--by oft-repeated declarations and sober asseverations from the lips of Gen. Spinner himself, that he not only holds in utter contempt the universally acknowledged tenets and principles of the Christian religion, but openly and boldly mocks at the idea of the Divinity of Jesus Christ, and denounces him as the an **IMPOSTOR, the ILLEGITIMATE OFFSPRING OF A PROSTITUTED MOTHER**.

These are not vague charges, made merely for political effect; but they are solemn truths, susceptible of the clearest demonstration, by testimony of the most unimpeachable character. Men of the highest standing in our community, as citizens and as Christians, whose own ears have been astounded and shocked by Gen. Spinner's avowals of audacious infidelity--even bordering upon atheism itself--stand ready at any moment, under the sanctity of a solemn oath, to swear to the several charges and specifications herein set forth. Let the following declarations from Francis E. Spinner's own mouth, be duly weighed by every voter in the District. And let it be remembered that it is utterly impossible for Mr. Spinner to evade or deny the fact of his having uttered them:

Gen. Spinner, in the hearing of distinguished and highly respectable citizens of Herkimer County, has repeatedly been heard to declare, **THAT JESUS CHRIST WAS THE SON OF JOSEPH, THE CARPENTER, AND IF NOT, HE WAS A BASTARD, and if he was the SON OF JOSEPH, THEN HE WAS AN IMPOSTOR, AND THAT THE NEW TESTAMENT WAS A**

FABLE.

These awful sentiments of Gen. Spinner, are susceptible of proof by the testimony of persons of unquestionable veracity, and the Democratic Corresponding Committee of Herkimer County hereby agree to hold themselves responsible for the truth of the charge, and will substantiate it with ample proof if an attempt to deny it should be made by Gen. Spinner or his friends.

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political prejudices and predilections, and to deal only and solely with NAKED, STUBBORN FACTS. We cannot believe, that any considerable portion of the intelligent, right-minded, *morally* disposed, to say nothing of the religiously inclined citizens of this District, irrespective of party, can by any possibility be induced to give their votes to a known, openly avowed, and even **BOASTFUL, DEIST AND INFIDEL**. And we are prepared to show, by the most indubitable evidence--by oft-repeated declarations and sober asseverations *from the lips of Gen. Spinner himself*, that he not only holds in utter contempt the universally acknowledged tenets and principles of the Christian religion, but openly and boldly mocks at the idea of the Divinity of Jesus Christ, and denounces him as the an **IMPOSTOR, the ILLEGITIMATE OFFSPRING OF A PROSTITUTED MOTHER**!

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But again, the fact of Gen. Spinner's infidelity and disbelief in the Bible, together with the sneering, shameless epithets by which he characterizes our Lord and Saviour Jesus Christ, is of such common notoriety here in Herkimer county, that no proof whatever is necessary to establish the truth of his entertaining such abhorrent sentiments.

Gen. Spinner, also, in a recent conversation with one of his own Republican friends, in reply to a suggestion of this friend that he ought to be more cautious in uttering his irreligious views, and that his opponents would use them against him greatly to his injury, said: "I don't care; if they choose to make that an issue, there are infidels enough in the District to elect me. They would vote for the Devil if he was right on the Kansas question!"

As an evidence of the utter contempt in which he holds the religious institutions of the country, and the Clergy generally, at the opening of the last session of Congress, when balloting for Chaplain of the House of Representatives, Gen. Spinner cast his vote for a notorious female infidel preacher, to fill that office--Miss Antoinette Brown! And to his shame be it spoken, Gen. Spinner was the only man in all that body who could thus debase himself. Miss Brown therefore, had Gen. Spinner's vote recorded in her favor for the office of Chaplain upon the pages of the House Journal, and HIS VOTE ONLY! This is history. Electors, look at the record, and you will find it so.

Gen. Spinner is an open violator of the Sabbath. He has been frequently seen with his gun on his shoulder, hunting in the woods on Sunday! It is but a short time since he was thus noticed by the citizens of the town of Warren, in this county. Scores of responsible witnesses will testify to this fact.

Now, in all candor, we appeal solemnly and directly, to every moral and religious citizen of this 17th Congressional District, to say, whether he is willing to cast his vote for any man, no matter what party puts him in nomina-

tion, who is known to hold ideas and sentiments like these? Our Congressional halls have sometimes been stigmatized as a "bear garden," in consequence of the lawless and reckless character of the Representatives who have succeeded by shrewd political management in obtaining seats therein; but suppose the entire body should once be composed of men of the precise stamp of Gen. Spinner--men openly repudiating the verity of the Holy Scriptures--spurning, and disdainfully setting at naught the divinity of Jesus Christ, and contemning the

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hereby agree to hold themselves responsible for the truth of the charge, and will substantiate it with ample proof if an attempt to deny it should be made by Gen. Spinner or his friends.

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revered and fundamental principles of the Christian Religion. What a spectacle would our country present before the civilized nations of the earth!--A nation of infidels! Even France, in her sacrilegious attempt to abolish the Sabbath, manifested no deeper hatred of the Christian religion, nor a more hearty contempt for the commandments of God, than would such a Spinner-stamped Congress in this boasted Christian Republic.

Electors! Will you aid in verifying Gen. Spinner's prediction that "there are infidels enough in this District to elect him?"

Will you entrust to the hands of such a man, the responsible office of Member of Congress?

Will you, can you, as accountable beings, as moral citizens, as Christians, as respecters of God, and as friends of your fellow men, give your suffrages to a man who thus sets at defiance and breaks over all the bounds of moral and religious accountability, and impiously sets up his own puny wisdom, not only above that of the wise men of all ages, but even above that of the Creator himself? Can you do it?

* GEORGE B. JUDD,
* FRED. LANSING,
* WM. I. SKINNER,
* WM. BRIDENBECKER,
* C. A. BURTON,
* C. A. GRIFFITH,

Corresponding Committee of the County of the Herkimer.
Herkimer, Oct. 27, 1856

CONCLUSION

I take no stand on the veracity of the charges or even whether they are important in assaying Spinner's public service. In retrospect we can understand the fervency of religious sentiment then as well as now, and its relative importance in informing public activities.

Whereas widespread public sentiment of religious nature swept mid-America in the run up and events of the Civil War era -- notably leading to the introduction of the religious motto "In God We Trust" on our coinage through the decree of Treasury Secretary Salmon P. Chase alone -- one

wonders how his hireling Spinner viewed that action -- if the charges voiced by his Herkimer neighbors were true.

Be that as it may, I thought this circular from the Library of Congress was very interesting, provocative, and definitely worthy of presenting in our annual Civil War issue devoted to Fractional Currency. Politics is a dirty business and this incendiary message is NOT intended to call attention to God or Spinner's clay feet, but merely to tweak the interest and imaginations of fellow collectors to research with open minds and hearts. ♦

4
puts him in nomination, who is known to hold ideas and sentiments like these? Our Congressional halls have sometimes been stigmatized as a "bear garden," in consequence of the lawless and reckless character of the Representatives who have succeeded by shrewd political management in obtaining seats therein; but suppose the entire body should once be composed of men of the precise stamp of Gen. Spinner--men openly repudiating the verity of the Holy Scriptures--spurning, and disdainfully setting at naught the divinity of Jesus Christ, and contemning the revered and fundamental principles of the Christian Religion. What a spectacle would our country present before the civilized nations of the earth!--A nation of infidels! Even France, in her sacrilegious attempt to abolish the Sabbath, manifested no deeper hatred of the Christian religion, nor a more hearty contempt for the commandments of God, than would such a Spinner-stamped Congress in this boasted Christian Republic.

Electors! Will you aid in verifying Gen. Spinner's prediction that "there are infidels enough in this District to elect him?"

Will you entrust to the hands of such a man, the responsible office of Member of Congress?

Will you, can you, as accountable beings, as moral citizens, as Christians, as respecters of God, and as friends of your fellow men, give your suffrages to a man who thus sets at defiance and breaks over all the bounds of moral and religious accountability, and impiously sets up his own puny wisdom, not only above that of the wise men of all ages, but even above that of the Creator himself? Can you do it?

GEORGE B. JUDD,
FRED. LANSING,
WM. I. SKINNER,
WM. BRIDENBECKER,
C. A. BURTON,
C. A. GRIFFITH.

CORRESPONDING COMMITTEE OF THE COUNTY OF HERKIMER.

[Herkimer, Oct. 27, 1856.

State of Georgia—a New Book

STATE OF GEORGIA: TREASURY NOTES, TREASURY Certificates & Bonds, by W. Mack Martin and Kenneth S. Latimer, is an in-depth catalog of Georgia's Civil War money. Southern States currency has been included in some of Grover Criswell's books on Confederate paper money and in Arlie Slabaugh's similar works, but this, as far as I know, is the first in-depth treatment of the Civil War money from one Southern state. It sets a standard for future volumes on other states, and it's a worthy standard.



The book is aimed more at the specialized collector than the historian in that it deals primarily with the artifacts—the notes—and not monetary policy, legislative intent, social history of how money was used, and similar matters, but it doesn't totally neglect the historical setting either.

The detail about the notes themselves ought to satisfy the collector's desire for information. Besides the expected descriptions of the different issues, denominations, dates, and associated rarities are explanations about

SPMC Librarian's Notes

By Bob Schreiner, Librarian

vignettes, the use of control stamps, and listings of serial number ranges, plate letters, and signers for the various issues. The signers are identified by name and a sample signature is provided to help the collector identify falsely filled in (and hence fraudulent) issues. Legislative acts leading to different issues are listed, each with a brief summary of provisions. There are sections on printers and engravers, counterfeits, notes used later for ads, and errors.

The authors identify an even 100 different varieties of notes in 40 major types, using a type number and subtype capital letter and sometimes second lower case letter, similar to Criswell's system. But according to the ML-Criswell numbering system conversion chart provided, the authors describe 43 varieties not in Criswell! That shows just how much work has been done on this one state since the last Criswell reference that included Southern States' listings.

The illustrations are all full color, a real plus. While not every variety is illustrated, there are no omissions that could cause identification confusion, a problem with some earlier cataloging. While the authors include rarity information, they wisely steer clear of values.

The book seems to me to be well-balanced and thorough, with much new information. One thing that occurred to me is that I would like to know a little more about who the signers were. Were the "clerks" who signed most of the notes people hired just for this purpose, like the Confederate note signers, or did they serve in other capacities, perhaps having some past or present association with Georgia banks? How well did the notes serve the State? Was depreciation a serious concern? How much of the circulating currency was State notes, how much Confederate, and how much something else? Not easy questions, I know, and perhaps ones that cannot be accurately answered.

It will be interesting to see if new varieties come to light as the book is adopted by collectors. I hope this book encourages other authors of Southern States money, and they achieve a success equal to this very fine model. Card covers, 95 pages. Self published, copyright 2005, \$30. Probably available from all major paper money dealers. I obtained my copy from Amanda Sheheen, <http://www.aoauctions.com/>.

SPMC's library catalog is on www.spmc.org. I welcome your thoughts at rschreiner@mindspring.com or my address on page 2. ♦

The Editor's Notebook

Fred L. Reed III

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Raising Our Historical Consciousness

Paper Money prides itself that while being informative and entertaining we also present living history. Our collections are great repositories of historical documents and data, and our collective recollections are deep depositories of historical information. Our historical consciousness ought to be the flip side of the bill to our acquisitiveness.

I very seldom comment on items in an issue, believing that no hype is warranted and the articles will speak for themselves unlike many colleagues, but I'd like to mention the lead article in this issue because it raises a belief close to my heart: although most collectors know something about the history of their notes, many know very little about the history of their collecting niche. Authors Gengerke and Bolin do a nice job in outlining FC collecting's past.

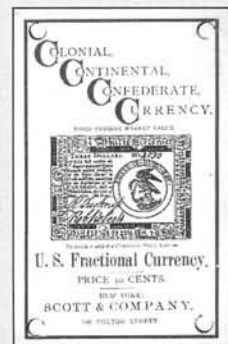
Many of you have been following my parallel series of essays on the history of CSA currency collecting in *Bank Note Reporter* over the last year. Hopefully many readers have found it informative, entertaining and raising historical consciousness. The Numismatic Literary Guild honored it as best column in a numismatic newspaper, which pleased me greatly. That topic was really an outgrowth of tracing the story of collecting encased stamps for my book.

While researching and writing the *BNR* series (which has not concluded yet) I often came across the growth of fractional currency collecting, too.

Since these twin pursuits grew largely in tandem in the last half of the 19th century, I mentioned fractional currency collecting currents often as they intersected with my story about Confederate note collecting.

I had planned to collect that data and resurrect it here, but this issue over-filled faster than a ketch in a squall, so I'll save that story for a later time, but I'd like to address one germane topic here now.

As many readers know, I developed the story of John Walter Scott to some extensio in *BNR*, calling him among other things "the father of Fractional Currency collecting," and tracing the growth of this aspect of hobby directly to his seminal 1879 catalog and price lists of fractionals. Scott, I reported in *BNR*, generally gets short shrift from numismatists because he was such a towering figure worldwide in philately. I'll have more to say about Scott in future issues of *BNR*. Meanwhile, I'll share the cover of his rare 1879 catalog of FC courtesy of SPMC member Eric Newman. I'll also include an interesting brief from a 1888 *New York Sun* newspaper account on fractionals below. ♦



with just twenty-five cents. A \$100 bill with the head of Mrs. Jefferson Davis can be bought for fifty cents. There is not a Confederate bill in existence, whatever its face value, worth more than \$1. None of the State issues of the Confederacy reach \$1 in value, although five and ten cent shinplasters of Alabama, North Carolina and South Carolina bring fifteen cents apiece among collectors. In the dark days of the war, even the most enthusiastic Unionist could hardly have anticipated that within a quarter of a century five cents of United States fractional currency would be worth from fifty cents to \$1, or from ten to twenty times the lawful value. Such, however, is the fact as to the series of 1862, while certain specimens of all the issues are largely in demand at high prices. — *New York Sun*.

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